

DOCUMENT RESUME

ED 437 878

HE 032 750

TITLE Reauthorization Training, Spring 2000. Participant's Guide.
INSTITUTION Office of Student Financial Assistance (ED), Washington, DC.
PUB DATE 2000-00-00
NOTE 307p.
AVAILABLE FROM ED Pubs, P.O. Box 1398, Jessup, MD 20794-1398. Tel: 877-433-7827 (Toll Free). For full text: <http://www.ed.gov/offices/OPE/announce/trng/tdosc.html>.
PUB TYPE Guides - Non-Classroom (055)
EDRS PRICE MF01/PC13 Plus Postage.
DESCRIPTORS Educational Finance; *Eligibility; Federal Aid; Federal Programs; *Financial Aid Applicants; Higher Education; *Loan Repayment; *Need Analysis (Student Financial Aid); Needs Assessment; Paying for College; *Student Financial Aid; Student Financial Aid Officers; Student Loan Programs
IDENTIFIERS *Higher Education Act Title IV

ABSTRACT

This workbook, which is intended for training individuals working with student financial aid matters is organized into four main sections, each of which is prefaced by a summary of related resource material: (1) an introduction; (2) student eligibility and other related issues; (3) returning Title IV funds; and (4) master promissory notes. Workbook exercises include case studies, illustrations of typical computer screens, and spaces for participant notes. Extensive appendixes include sample Department of Education forms, including drug worksheets, treatment of Title IV funds, and master promissory notes; a list of workshop case studies; sample worksheets for case studies on treatment of Title IV funds; review exercises and discussion questions related to case studies; resources; and information on state statutes related to home schooling. (CH)

ED 437 878



Reauthorization Training

Participant's Guide

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- This document has been reproduced as received from the person or organization originating it
- Minor changes have been made to improve reproduction quality

- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy





STUDENT FINANCIAL ASSISTANCE Training Satisfaction Survey



Thank you for taking a moment to answer the following questions. We will use this to evaluate and improve our training and materials. Any information you provide is confidential.

Course _____ Date _____

Location _____

Trainer name(s) _____

Your type of institution: ☐ Public ☐ Private ☐ Proprietary
☐ Undergraduate/Graduate ☐ Clock Hour/Credit Hour

Length of time in financial aid related responsibilities: (years/months) _____

Please complete the following statements using the scale below:

- | |
|---|
| <p>1 = Unacceptable
2 = Poor/less than acceptable
3 = Moderate/Acceptable
4 = Good/More than acceptable
5 = Outstanding/Much more than acceptable
N/A = Not applicable/Unknown/No Comment</p> |
|---|

GENERAL

1. How well did this training meet your needs for improving your student aid operations?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

2. How well did this training meet the overall objectives stated at the beginning of the course?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

3. How well did the training announcement describe this training?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

TRAINING MATERIALS

4. How helpful were the case studies, charts and other graphic illustrations?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

5. Our goal is to provide accurate, clear and organized materials. How do you rate our materials?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

PRESENTATION

6. Please rate the presentation and/or slide show for clarity and accuracy.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ N/A

7. Was enough time devoted to trainee questions and exercises?

☐ Yes ☐ No

8. What suggestions do you have to improve the trainers' presentation?

TRAINING LOGISTICS AND MISCELLANEOUS

9. What additional training would you like us to provide?

10. What comments do you have about the workshop's location and training room?

ADDITIONAL COMMENTS AND SUGGESTIONS

You can now provide your comments on this or any other training session on our Training Information page at www.ed.gov/offices/OPE/announce/trng/ or by sending us an e-mail at SFA_Training@ed.gov

Table of Contents

- I** Introduction
- 2** Student Eligibility and Other Related Issues
- 3** Return of Title IV Funds
- 4** Master Promissory Note

Appendices

- A. Department of Education Forms
 - 1. Drug worksheet for correcting response to SAR question 28
 - 2. Drug worksheet for determining correct response to FAFSA question 28
 - 3. Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program (8 blank worksheets reproduced by NCS)
 - 4. Treatment of Title IV Funds Where a Student Withdraws from a Clock Hour Program (4 blank worksheets reproduced by NCS)
 - 5. Master Promissory Note and accompanying material for FFELP loans
 - 6. Master Promissory Note and accompanying material for Direct Loans
- B. Cumulative list of all workshop case studies
- C. Treatment of Title IV Funds When a Student Withdraws worksheets for Session 3 case studies
- D. Review exercises and discussion questions related to case studies
- E. Resources
 - 1. Summary of Reauthorization Provisions
 - 2. Federal Perkins Loan Deferments and Cancellations
 - 3. Return of Title IV Funds: Requirements and Deadlines
 - 4. Return of Title IV Funds: Requirements for Notifications
 - 5. Return of Title IV Funds: Determining Trigger Dates
 - 6. GEN-89-38 (LD) referencing SSIG
 - 7. FSEOG Match
 - 8. Policy Bulletin (January 7, 1999) regarding institutional charges
- F. Information on State statutes related to Home Schooling

Session I

Introduction



Spring 2000 Reauthorization
Training Workshop



1-1

Session One—Introduction



Session 1: Introduction

1-2



Workshop Agenda

- Session 1: Introduction
- Session 2: Student Eligibility and Other Related Issues
- Session 3: Return of Title IV Funds
- Session 4: Master Promissory Note

1-3

Reauthorization of the Higher Education Act

- Higher Education Amendments of 1998 (Public Law 105-244)
- Date of Enactment: October 7, 1998
- Most Provisions Effective: October 1, 1998
- Negotiated Rulemaking: January - June 1999
- Final Rules: August - November 1999

1-4

Refer to Dear Colleague Letter GEN-98-28 for a complete listing of Reauthorization provisions.

NPRM/Final Rule Dates

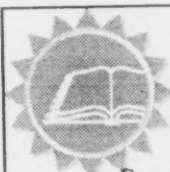
<u>Name</u>	<u>NPRM</u>	<u>Final</u>
Direct Loans	June 16	Aug 24 Oct 27
Accreditation	June 25	Oct 20
Institutional Eligibility	July 15	Oct 29
Student Eligibility	July 16	Oct 22
Perkins Loan	July 29	Oct 28
Cohort Default Rates	July 30	Nov 1

1-5

NPRM/Final Rule Dates (continued)

<u>Name</u>	<u>NPRM</u>	<u>Final</u>
Guaranty Agencies	Aug 3	Oct 29
Pell/Campus-based	Aug 3	Oct 28
Return of Title IV funds	Aug 6	Nov 1
DL/FFELP Common	Aug 10	Nov 1
Consumerism	Aug 10	Nov 1

1-6



Appendix E Resources

- Summary of Reauthorization Provisions
- Federal Perkins Loan Deferments/Cancellations
- Return of Title IV Funds
 - Requirements & Deadlines
 - Requirements for Notifications
 - Determining Trigger Dates
- GEN-89-38 (LD) referencing SSIG
- FSEOG Match
- Policy bulletin referencing institutional charges

1-7



RESOURCES

Available on IFAP

- Higher Education Amendments of 1998
(P.L. 105-244)
- Dear Colleague Letter GEN-98-28
- NPRMs
- Federal Registers

1-8

The IFAP web site (<http://www.ifap.ed.gov>) is an invaluable resource. It contains a significant amount of material related to Reauthorization. It should also be noted that the 1999-2000 Student Aid Handbook incorporated relevant changes to student aid programs. The 2000-2001 Handbook will also contain changes resulting from Reauthorization.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper appears to be a standard notebook page.

Questions



1-9

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Session 2

Student Eligibility and Other Related Issues



RESOURCES

1999-2000 Student Aid
Handbook:

Student Eligibility, pgs. 10, 216

Code of Federal Regulations:

*(Note: CFR sections should
be read in conjunction with
August - November 1999
Federal Register final rules.)*

34 CFR Sections 668.32, 668.40
682.200(b), 682.204(a)(1)(iii),
682.204(d)(1)(iii), 685.102(b),
685.203(a)(1)(iii),
685.203(c)(2)(i)(D)

Higher Education Act:

Sections 472(2), 472(3),
474 (b)(3), 475(g)(2), 475(g)(6)
475(j), 476(a)(3), 476(b)(1),
477(a)(4), 484(r)

Public Law 105-244:

Sections 471(1), 471(2), 472,
473(a), 473(b)(1)(A), 473(b)(2),
473(c), 483(b), 483(f), 484(d)



Session 2: Student Eligibility and Other Related Issues

2-1



Session 2: Learning Objectives

- Changes to the EFC Formula
 - Income Protection Allowance
 - Treatment of parents in college
 - Parents' negative available income

2-2



Session 2: Learning Objectives

- Changes to the Cost of Attendance
 - Computer cost allowance
 - Minimum living allowance
- Changes to Basic Student Eligibility
 - Drug offense convictions
 - Home schooled students
 - Pell for certain teacher certification programs

2-3



Session 2: Learning Objectives

- Changes that Affect Campus-Based and Loan Program Eligibility
 - Prorating loans for short periods
 - Treatment of AmeriCorps and Montgomery Bill benefits
 - Perkins loan limits
 - Federal Work-Study provisions

2-4

Income Protection Allowance

	Dependent	Independent w/o dependents (Single or married/ spouse enrolled)	Independent w/o dependents (married/spouse not enrolled)	Independent w/ dependents
Income Protection Allowance Before: 1998-99	\$1,750	\$3,000	\$6,000	Varies with number in household and college
Income Protection Allowance 1998-99 and 1999-2000	\$2,200	\$4,250	\$7,250	
Income Protection Allowance 2000-2001	\$2,200	\$5,000	\$8,000	

*May be adjusted based on Consumer Price Index
in future years.*

2-5

EFC Formula: Number in College

- Parents excluded from number of family members in college
 - Except under professional judgement (on a case-by-case basis)

2-6

Beginning with the 2000-2001 cycle, if household size and number in college are both 2, the CPS will assume the number in college is 1. If household size and number in college are equal and greater than 2, the CPS will assume the number in college is 1.

EFC Formula: Parents' Negative Available Income

- Dependent student's total income is offset when parents' available income is negative
 - Could result in a lower EFC

2-7

Before Reauthorization, parents could not have a negative available income. Now, parents' available income can be less than zero. The contribution from student's available income could be reduced by this negative amount, potentially lowering the student's EFC.

Cost of Attendance: Computer Expenses

- Cost of attendance may include an allowance for computer expenses
 - Must be documented
 - Rental or purchase expenses

2-8

If your school chooses to establish a general computer allowance, you might include the allowances, and the rationale for their development, in your policies and procedures manual. If you elect to base the allowance on individual cases and circumstances, you must document the allowance in each student's file. Regardless of how you choose to base this allowance, you must document it.



Case Study 2-I: Bill Donahue

Documenting a computer allowance in cost of attendance

Bill Donahue is a first-year student at Big State University. He plans to study chemistry, and has decided he really needs to have a computer to do so. The school also strongly encourages students in this program to get a computer.

When determining Bill's cost of attendance, or COA, you can now include the cost of a computer.

Big State's policy is to have a computer allowance of \$1,000 for all first-year students. For continuing and transfer students, Big State includes, upon request, actual costs it deems reasonable if students provide documentation.

Let's look at Bill's COA calculation:

Bill's COA Calculation

Tuition and Fees	\$2,600
Room and Board	\$3,000
Books	\$500
Personal	\$400
Computer Allowance	\$1,000
Total	\$7,500

2-9

In Bill's case, how might you document the allowance?

Cost of Attendance: Living Allowance

- Minimum living allowance removed
 - No statutory minimum
 - Must use reasonable allowance

2-10

The living allowance and the rationale for its development, like other categories of your Cost of Attendance budget, must be documented and kept on file.

Student Title IV Eligibility & Drug Convictions

To determine if drug convictions affect eligibility, evaluate:

- If conviction for possession or sale (including delivery or distribution)
- If a first or a subsequent conviction
- Date conviction occurred
- If student completed a qualified rehabilitation program

2-11

Student Title IV Eligibility & Drug Convictions (Possession)

- If convicted of any offense involving the possession of a controlled substance, ineligible for:
 - One year after the first conviction
 - Two years after the second conviction
 - Indefinitely after the third conviction

2-12

Convictions for felony or misdemeanor offenses involving alcohol or tobacco are not considered when determining eligibility, nor are drug convictions that have been cleared from the student's record or convictions for which the student was prosecuted as a juvenile.

Student Title IV Eligibility & Drug Convictions (Sale)

- If convicted of any offense involving the sale of a controlled substance, ineligible for:
 - Two years following the first conviction
 - Indefinitely after the second conviction

2-13

“Arrests” are not the same as “convictions.”

Eligible Rehabilitation Program

- Includes two unannounced drug test and
- One of the following:
 - Administered by or eligible for funding from a government agency or court
 - Eligible for reimbursement by a federal or state licensed insurance program
 - Administered or recognized by a federally or state licensed medical facility or practitioner

2-14

Remember, aid eligibility can be restored during a payment or enrollment period. Also, see Dear Partner Letter GEN-99-16 for information related to the implementation of this provision.

Codes for Question #28

Answer	If	School Action
1	Eligible for entire year	Award aid
2	Ineligible for part of the year	Award aid when eligible
3	Ineligible for entire year	Withhold aid

2-15

Students can request the “drug worksheet” and seek assistance related to Question 28 by calling 1-800-4-FEDAID or visiting a website that deals exclusively with this issue at www.fafsa.ed.gov/q28. Also, it is important to note that students self-certify their response to Question 28.

Becoming Eligible During Year

Pell & Campus-Based Programs:

- Retroactive to beginning of payment period

FFEL or Direct Loan Programs:

- Retroactive to beginning of academic year

2-16

***Determining eligibility
when a drug conviction may be involved***

Harry was still 17 when he completed the FAFSA in April 2000 and was unsure of the status of his record. As a result, he left question 28 blank, which resulted in a comment code on his SAR and ISIR. As a financial aid administrator, you are unable to package federal aid for Harry until this eligibility question is cleared up. Fill out the drug worksheet found in Appendix A based on the information provided in the case study.

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Student Eligibility: Home Schooled Students

- Eligible for Title IV aid if their home school is treated under state law as either home school or private school
 - Ability-to-Benefit test isn't required
- State statutes related to home schooling vary

2-17

As of October 1, 1998, Pell-eligible students enrolled in certain post-baccalaureate teacher certification programs became eligible for Pell Grants.

Pell for Teacher Certification

- Student eligible if:
 - Courses are required by state for certification or licensing credential required for teachers;
 - Post-baccalaureate program does not lead to a graduate degree;
 - School does not also offer a bachelor's degree in education;
 - Student is at least a half-time student; and
 - Student is pursuing an initial teacher certification or licensing credential within a state.

2-18

Note: The provision regarding teacher certification applies only to Pell, not FSEOG.

Prorating Loans

Fixed proration chart replaced with formula:

Lesser of :

$\frac{\text{hours in program}}{\text{hours in acad. year}}$ or $\frac{\text{weeks in program}}{\text{weeks in acad. year}}$

X

Annual Loan Limit

2-19



Case Study 2-3: Kelly Jamie Raphael

*Calculating a student's maximum Stafford Loan
for a program less than a full academic year*

Kelly Jamie Raphael, a first year student, is investigating courses at the Car Institute. Each program is less than an academic year in length. The school's academic year is 30 weeks and 900 clock hours. Kelly is curious about how much she can borrow if she enrolls in one of three programs.



Case Study 2-3: Kelly Jamie Raphael Scenario A

Dependent undergraduate

Academic year = 30 weeks, 900 clock hours

Program = 10 weeks, 250 clock hours

- Compare fractions based on weeks and hours:
 $10/30 (= .33)$ $250/900 (= .28)$
- Multiply the smaller fraction by the loan limit:
 $\$2,625 \times .28 = \$735$ (prorated max)

2-20

In Case Study 2-3, we want to determine the prorated maximum loan for each scenario.



Case Study 2-3: Kelly Jamie Raphael Scenarios B and C

Academic year = 30 weeks, 900 clock hours

Scenario B:

Program = 12 weeks, 400 clock hours

Scenario C:

Program = 20 weeks, 600 clock hours

2-21

**Loan Proration:
Remaining Period Shorter
Than Academic Year**

- “Additional” unsubsidized fixed proration is out for 2nd Year undergraduates
- Proportional proration now used in all cases and is based on:

$$\frac{\text{Hours in Remaining Period}}{\text{Hours in Academic Year}}$$

2-22



Case Study 2-4: Greg Billcorn

*Loan proration when remaining period of study
is shorter than an academic year*

Greg is an independent undergraduate student enrolled in a 2-year program. The school's academic year = 30 weeks (two 15-week semesters), 24 credit hours.

Greg has completed two years of study, but needs six additional credit hours to finish the program. He plans to finish the six credit hours in a single semester (a final period of study shorter than an academic year).



Case Study 2-4: Greg Billcorn

Academic year = 30 weeks, 24 credit hours
Independent 2nd year undergrad enrolled:
6 credit hours

- Divide hours in remaining period by hours in academic year: $6/24 = .25$
- Multiply this fraction by the annual limit:
base: $.25 \times \$3,500 = \$875$
additional: $.25 \times \$4,000 = \$1,000$

2-23

Montgomery GI Bill-Active Duty and AmeriCorps Benefits

Treated as other aid for:

- Campus-based aid programs, and
- Unsubsidized FFEL or Direct Unsubsidized Loan

Not treated as other aid for:

- Subsidized FFEL or Direct Subsidized Loan

2-24

Schools may exclude any portion of a subsidized loan that is equal to or less than these benefits when packaging campus-based aid. This option must be applied on a case-by-case basis.

Montgomery GI Bill-Active Duty and AmeriCorps Benefits

When calculating eligibility for campus-based aid, the school has the option to:

- Exclude from resources the portion of the subsidized FFEL or Direct Subsidized Loan that is equal to or less than the excluded Montgomery GI Bill-Active Duty or AmeriCorps benefits

2-25



Case Study 2-5: Penny Jones

Examining eligibility when Montgomery GI Bill—Active Duty benefits are involved

Penny Jones is a first-year, independent undergraduate student. Penny has the following for the academic year:

EFC:	950
Federal Pell Grant:	\$2,175
Montgomery GI Bill—Active Duty Benefits:	\$4,752

Example A

Penny enrolls in a two-year program at a local community college. Her need is determined to be \$5,550 (\$6,500 COA - 950 EFC).

The actual assistance Penny is receiving from the Pell Grant and Montgomery GI Bill—Active Duty benefits equals \$6,927 (\$2,175 + \$4,752) which exceeds her need as well as her COA. Under the 1998 Amendments, Penny is still eligible for a Direct Subsidized Loan (or a Subsidized Stafford Loan) because the \$4,752 in Montgomery

GI Bill—Active Duty benefits are excluded as estimated financial assistance for this purpose. Penny's cost minus her EFC and minus her Pell Grant still leaves an unmet need of \$3,375 for purposes of the subsidized loan ($\$6,500 - 950 - \$2,175$).

The allowable maximum subsidized loan amount, which is \$2,625 for a first-year student, is less than her unmet need for subsidized loan purposes; therefore, Penny may receive a Direct Subsidized Loan for \$2,625. The decision to take out a subsidized loan is Penny's decision and the school must follow the statute. In this case, Penny's actual assistance totals \$9,552, which exceeds her need as well as her COA ($\$2,175 + \$4,752 + \$2,625$).

However, under the statute and regulations, this is not considered an overaward or an overpayment.

Under the new campus-based regulations, Penny still would not be eligible for any campus-based aid. Her need is \$5,550 and her total resources, excluding the Direct Subsidized Loan under the new school option for the campus-based programs, is \$6,927, and that amount still exceeds her need.



Case Study 2-5 (Example A): Penny Jones

\$6,500 COA	\$ 2,175 Pell Grant
- 950 EFC	+ 4,752 Montgomery Bill Active Duty
- 2,175 Pell Grant	+ 2,625 Subsidized Stafford Loan
- 3,375 unmet need*	\$9,552 total aid**

* For subsidized loans, when Montgomery GI Bill-Active Duty benefits are excluded

** Although this exceeds need and COA, it is not an overaward under statute

2-26

Now let's look at example B in the same case.

Example B

Penny enrolls in a four-year program at a public college in her state. Her need is determined to be \$8,550 ($\$9,500 \text{ COA} - 950 \text{ EFC}$).

Penny's actual assistance from the Pell Grant and Montgomery GI Bill—Active Duty benefit equals \$6,927 and does not exceed her need ($\$2,175 + \$4,752$).

The difference between her need and the above assistance she is receiving is \$1,623 ($\$8,550 - \$6,927$).

Under the 1998 Amendments, Penny is eligible for a Direct Subsidized Loan (or Subsidized Stafford Loan) in an amount that exceeds \$1,623, because the \$4,752 in Montgomery GI Bill—Active Duty benefits do not count as estimated financial assistance for this purpose. Penny's cost minus her EFC and minus her Pell Grant still leaves an unmet need for purposes of the subsidized loan of \$6,375 ($\$9,500 - 950 - \$2,175$).

The allowable maximum subsidized loan amount, which is \$2,625 for a first-year student, is less than her unmet need for subsidized loan purposes; therefore, Penny may receive a Direct Subsidized Loan in the amount of \$2,625. The decision to take out a subsidized loan is Penny's decision and the school must follow the statute. In this case, Penny's actual assistance totals \$9,552, which exceeds her need as well as her COA ($\$2,175 + \$4,752 + \$2,625$).

However, under the statute and regulations, this is not considered an overaward or an overpayment.

Under the new campus-based regulations, Penny may also be eligible for campus-based aid if the school wants to apply the regulatory option. In other words, the school does not have to do this for campus-based aid purposes. Her need is \$8,550 and her total resources, excluding the Direct Subsidized Loan under the new school option for the campus-based programs, is still \$6,927 and that amount is \$1,623 under her need ($\$8,550 - \$6,927$).

Therefore, the school may still provide campus-based aid that does not exceed \$1,623. For example: \$1,123 FWS and \$500 FSEOG.

In this case, Penny's actual assistance totals \$11,175, which exceeds her need as well as her COA ($\$2,175 + \$4,752 + \$2,625 + \$1,623$).

However, under the statute and regulations, this is not considered an overaward or an overpayment.

Penny Jones(Example B):

\$9,500 COA	\$2,175 Pell Grant
- 950 EFC	+4,752 Mont. GI Bill-A.D.
- 2,175 Pell Grant	+2,625 Sub. Stafford Loan
\$6,375 Unmet Need*	\$9,552 Subtotal of Aid**

* For subsidized loans, when Montgomery GI Bill-A D benefits are excluded

** Although this exceeds need and COA, it is not an overaward under statute and regulations

2-21

In Example B, Penny could be eligible for up to \$1,623 in campus-based aid.

Penny Jones(Example B cont.):

\$9,500 COA	\$2,175 Pell Grant
- 950 EFC	+4,752 Mont. GI Bill-A D.
- 2,175 Pell Grant	+2,625 Sub. Stafford Loan
- 4,752 Mont. GI Bill-A D.	+ 500 FSEOG
\$1,623 Campus-based elig.	+1,123 FWS
	\$11,175 Total Aid**

** Although this exceeds need and COA, it is not an overaward under statute and regulations.

2-28

Federal Perkins Loan Limits

	<u>Annual</u>	<u>Aggregate</u>
Graduate	\$6,000	\$40,000
Undergraduate	\$4,000	
■ After 2 years		\$20,000
■ 1st 2 years		\$ 8,000

2-29

Refer to Appendix E (beginning on page E3-1) for a chart on Perkins Loan deferments and cancellations.

Federal Work-Study Provisions

Community Service Placement:

- Service to students with disabilities
- On-campus child care services open to the public
- Must employ at least one student in a reading tutoring or a family literacy project

May Credit FWS Earnings, with student's authorization, to:

- Student's account at school
- Student's bank account via EFT

2-30

If FWS earnings are to be credited to either the student's account at the school or the student's account at a financial institution, the student must submit written authorizations, which can be revised or rescinded at any time.

Session 2: Brain Candy



2-31

Session 2: Review

- Calculation of EFC changes:
 - Student's income protection allowance
 - Number in household attending college
 - Negative available income offset
- Cost of attendance changes:
 - Allowance for computer expenses
 - Minimum living allowances
- Student eligibility changes:
 - Drug convictions
 - Home-schooled students
 - Pell Grant for students enrolled in certain teacher certificate programs

2-32



Session 2: Review

- Changes that affect campus-based and loan program eligibility
 - Prorating loans for programs or remaining periods of study less than a full academic year
 - Treatment of AmeriCorps and Montgomery Bill benefits
 - Perkins loan limits
 - Federal Work-Study provisions

2-33

Session 2: Questions



2-34

Session 3

Return of Title IV Funds



RESOURCES

Code of Federal Regulations:	34 CFR Section 668.22
Higher Education Act:	Section 484 B
Department of Education Guidance:	GEN-89-38 (SSIG/LEAP Guidance) Policy Bulletin, January 7, 1999 (Institutional Changes)
June 1999 Blue Book:	FSEOG Match (page 3-13) Title IV Reporting, NSLDS, Audit Program Review, and Guaranty Agency Procedures (page 6-18)
1999-2000 Federal Student Aid Handbook:	Campus-Based Programs (pages 4-11 to 4-13)

Session Three—Return of Title IV Funds



Session 3: Return of Title IV Funds

3-1



Session 3: Learning Objectives

At the end of this session, you will know:

- New guidelines concerning students who receive Title IV aid and withdraw
- Steps used in calculating the return of Title IV funds
- Various responsibilities schools and students have
- Basic features of software that will calculate the treatment of Title IV funds

3-2

Return of Title IV Funds

- Old policy = Refund/repayment
- New policy = Return of Title IV funds
- Applies only to Title IV funds
- One simplified formula for all
- Schools to implement new policy:
 - October 7, 2000, or
 - Earlier, if school chooses

3-3

The treatment of Title IV funds policy becomes effective for students who withdraw on or after October 7, 2000. Schools may choose to implement the policy earlier. If so, all provisions of the final regulation must be implemented in their entirety along with other considerations.

Treatment of Title IV Funds: Steps in Calculation

- Step 1: Collect Information about Student's Title IV Aid
- Step 2: Calculate Percentage of Title IV Aid Earned by the Student
- Step 3: Calculate Amount of Title IV Aid Earned by the Student
- Step 4: Determine if Student Is Due Post-Withdrawal Disbursement *or* if Title IV Aid Must Be Returned

3-4

Treatment of Title IV Funds: Steps in Calculation (cont.)

- Step 5: Calculate Amount of Unearned Title IV Aid Due from the School
- Step 6: Determine Return of Funds by School
- Step 7: Calculate Initial Amount of Unearned Title IV Aid Due from Student
- Step 8: Determine Return of Funds by Student

3-5

Post-Withdrawal Disbursement Tracking Sheet

Student's Name _____ Social Security Number _____

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet A \$ _____

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account B \$ _____

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ _____
- Amount of post-withdrawal disbursement credited for other current charges + \$ _____
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ _____

Total Amount Credited to Account

C \$ _____

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ____/____/____

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ____/____/____

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent

F \$ _____

G. Notification sent to student and/or parent on ____/____/____

H. ☐ Response received from student/parent on ____/____/____
☐ Response not received

I. Amount accepted

I \$ _____

J. Accepted funds sent on ____/____/____

Post-Withdrawal Disbursement Made From

Pell Grant	_____	Subsidized FFEL/Direct Stafford Loan	_____
FSEOG	_____	Unsubsidized FFEL/Direct Stafford Loan	_____
Other Title IV programs (grants)	_____	Perkins Loan	_____
		FFEL/Direct PLUS	_____
		Other Title IV programs (loans)	_____

3-6

Date of Institution's Determination that Student Withdrew

- Date school had knowledge of student's withdrawal
- "Trigger" for various requirements

3-1

Payment Period versus Period of Enrollment

- Term-based program = payment period
- Non-standard term based *or* non-term based program may choose either method
 - May choose on a program-by-program basis
 - Must be consistent with application of method used

3-8

Rounding Rules Percentages

- Calculate out to 4 decimal places

$$45 \text{ days} / 101 \text{ days} = .4455$$

$$200 \text{ hours} / 450 \text{ hours} = .4444$$

- Round to third decimal place

$$.4455 = 44.6\%$$

$$.4444 = 44.4\%$$

3-9

Rounding Rules Dollar Amounts

- Round to nearest penny

$$\$2,346.00 \times 44.6\% = \$1,046.316 \text{ or } \$1,046.32$$

$$\$2,346.00 \times 44.4\% = \$1,041.624 \text{ or } \$1,041.62$$

- Aid returned *may be* rounded to nearest dollar

$$\$1,046.32 = \$1,046$$

$$\$1,041.62 = \$1,042$$

3-10

Step I: Student's Title IV Aid Information

- Title IV aid disbursed
- Title IV aid that could have been disbursed
- Exclude FWS earnings
- Exclude non-Title IV aid
 - Institutional awards
 - State grants
- Include other Title IV programs

3-11

Other Title IV Programs

State grants funded by LEAP in any amount

- Include 100% of state grant amounts
- Refer to GEN 89-38 for more guidance
- LEAP formerly known as SSIG

3-12

Eligible Title IV Recipient

Must meet requirements of §668.164 (g) (2):

- School received SAR or ISIR with EFC
- For Pell, school received valid SAR or ISIR
- For Perkins or FSEOG, student awarded
- For Direct Loan, school originated record
- For FFEL, school certified loan application
- For Direct/FFEL Loans, 1st year, 1st time borrower completed first 30 days of program

3-13

FSEOG Nonfederal Match

Fund Type	Award Letter Notice	Treatment of Title IV Funds
Individual Matching Fund The school provides a 25% share to match the 75% FSEOG funds on an individual recipient basis.	FSEOG Amount: \$ 750 Institutional FSEOG Matching Fund Award: \$ 250 Total FSEOG Award: \$1,000	Listed on Worksheet \$ 750
Aggregate Matching Fund Example 1: The school awards institutional scholarships grants or qualified state assistance to provide the aggregate sum of the qualifying match to meet the 25%.	FSEOG Amount: \$ 750 Institutional Scholarship: \$ 250 Total FSEOG Award: \$1,000	Listed on Worksheet \$ 750
Aggregate Matching Fund Example 2: The school awards institutional scholarships grants or qualified state assistance to provide the aggregate sum of the qualifying match to meet the 25%. (See 1999-2000 Federal Student Aid Handbook—Campus-Based Programs, pages 4-11 to 4-13.)	FSEOG Amount: \$ 750 Institutional Scholarship: \$ 0 Total FSEOG Award: *\$ 750 *Another student (with FSEOG) had an amount of institutional scholarship large enough to cover this student's 25% institutional matching amount. The matching is based on the sum in the aggregate, not on the individual.	Listed on Worksheet \$ 750
Fund Specific Matching 25% school funds commingled with 75% Federal dollars from FSEOG—100% FSEOG money.	FSEOG Amount: \$1,000 Total FSEOG Award: \$1,000	Listed on Worksheet \$1,000

3-14

Student's Name _____ Social Security Number _____

Date Form Completed ____/____/____ Date of the institution's determination that the student withdrew ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	_____	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	_____	_____
3. Perkins Loan	_____	_____	_____	_____
4. FFEL/Direct PLUS	_____	_____	_____	_____
			5. Pell Grant	_____
			6. FSEOG	_____
			7. Other Title IV programs*	_____

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment **A** \$ _____

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** \$ _____

3-15

BEST COPY AVAILABLE

46

Step 2: Percentage of Title IV Aid Earned

First determine percentage of period completed

$$\frac{\text{Number of days / hours completed}}{\text{Number of days / hours in period}}$$

= Percentage completed

3-16

Withdrawal Date *School Required to Take Attendance*

- Required by outside entity
- Required to take attendance for entire period
- Requirement might apply only to specific groups of students
- Withdrawal date taken from attendance records

3-17

Withdrawal Date
School Not Required to Take Attendance

- Earlier of date student began school's withdrawal process or date student otherwise provided "official" notice; or
- If student didn't notify school, midpoint in period; or
- If student didn't notify due to circumstances beyond student's control, date related to that circumstance; or

3-18

Withdrawal Date
School Not Required to Take Attendance
(cont.)

- If student didn't return from approved leave of absence, date school determines leave began; *or*
- If student took unapproved leave of absence, date student began leave; *or*
- Date of student's last attendance at documented academically-related activity

3-19

Withdrawal Date

Taken from Academically-Related Event

Requirements:

- Must document that activity is academically-related
- Must document student's attendance

Examples:

- Attending class
- Taking exam
- Completing tutorial
- Computer-assisted instruction
- Academic counseling or advisement
- Turning in assignment

3-20

Official Notice

- Notice of intent to withdraw that the student provides to an office (or offices)
 - In writing, *or*
 - Orally
- Must designate at least one office students can readily contact

3-21

Approved Leave of Absence

- School has formal policy
- Student followed policy in requesting leave
- School determines it's reasonable to expect student will return from leave
- School approved student's request for leave
- No additional institutional charges are generated during leave

3-22

Approved Leave of Absence (cont.)

- Only leave granted in a 12-month period
- Leave does not exceed 180 days in any 12-month period
- Upon student's return, student is allowed to complete coursework started prior to leave
- If student received title IV, HEA loan, school explained to student effects of failure to return on loan repayment terms

3-23

Schools can allow one additional approved leave (not to exceed 30 days) for unforeseen circumstances. Additional subsequent leaves may be granted for jury duty, military reasons, or circumstances covered under the FMLA of 1993.

Approved Leave of Absence (cont.)

- Unless student doesn't return, approved leave of absence is not a withdrawal
- Student taking approved leave retains in-school status
- If student loan borrower doesn't return from approved leave, grace period starts retroactively date the leave began

3-24

Rescinding Official Notification

- School may allow rescission
- Student must submit written statement
- If student stops attending subsequent to rescission, withdrawal date is original date of notice of intent to withdraw
 - School may use later date based on student's attendance at academically-related event

3-25

Withdrawal without Notification
School Not Required to Take Attendance

- May use mid-point of period
 - Student automatically earns 50% of Title IV aid received
- School may use later or earlier date based on student's attendance at academically-related event

3-26

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name _____ Social Security Number _____

Date Form Completed ____/____/____ Date of the institution's determination that the student withdrew ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	5. Pell Grant	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	6. FSEOG	_____
3. Perkins Loan	_____	_____	7. Other Title IV programs*	_____
4. FFEL/Direct PLUS	_____	_____	*Do not include FWS.	

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A \$ _____.

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment B \$ _____.

STEP 2: Percentage of Title IV Aid Earned

C. *If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3. If school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date ____/____/____ Payment period/period of enrollment start date ____/____/____ end date ____/____/____

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\text{completed days}}{\text{total days}} = \text{____} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C _____ %

3-27

BEST COPY AVAILABLE

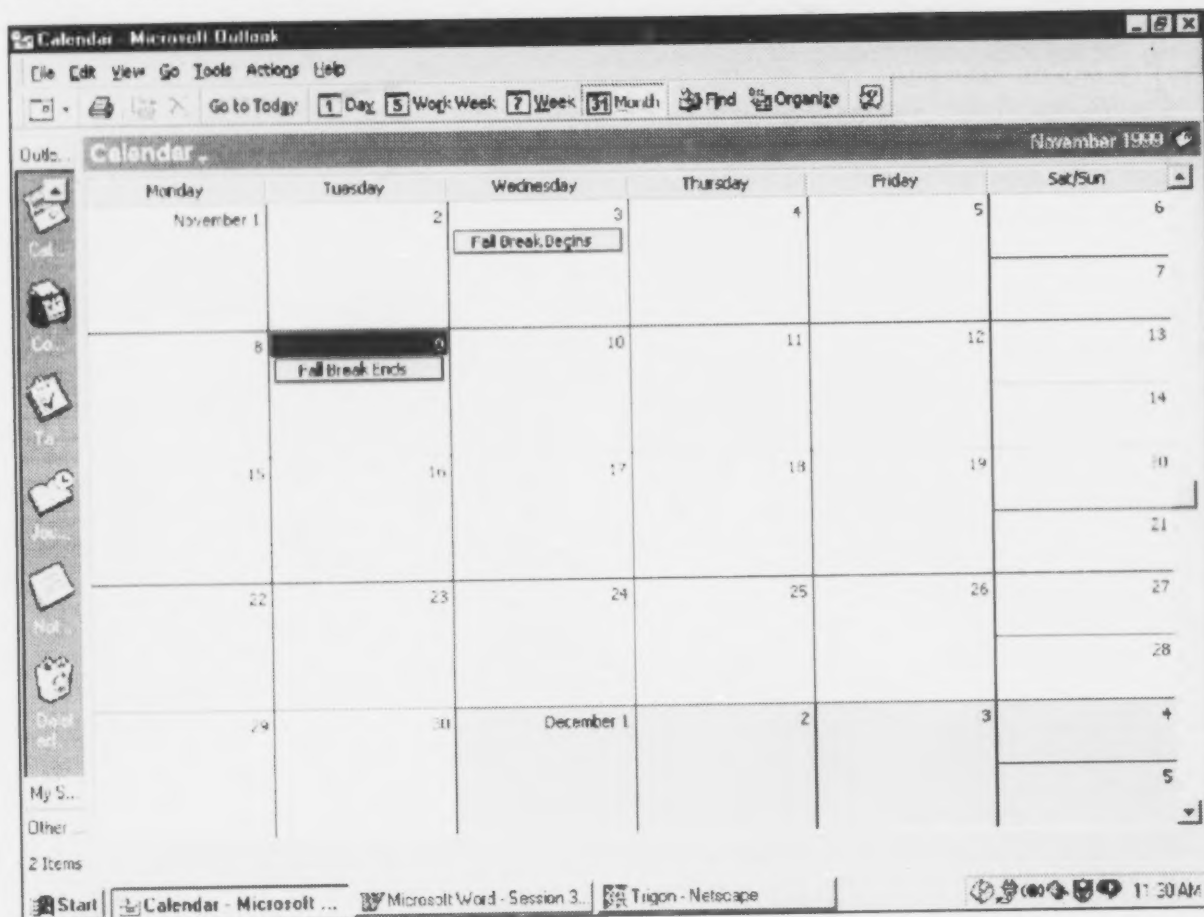
Credit-Hour Programs

- Use calendar days completed and calendar days in period
- Exclude scheduled breaks of five or more days
- Exclude all days between last day of classes before break and first day classes resume

3-28

The day the student withdraws is counted as a completed day.

Session Three—Return of Title IV Funds



Step 2: Credit Hour Programs

$$\begin{array}{r} \text{Number of days completed} \\ \div \quad \text{Number of days in period} \\ \hline = \quad \text{Percentage completed} \end{array}$$

3-30

Session Three—Return of Title IV Funds

Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name _____ Social Security Number _____

Date Form Completed _____ Date of the institution's determination that the student withdrew _____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, 44.86 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	5. Pell Grant	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	6. PSEOG	_____
3. Perkins Loan	_____	_____	7. Other Title IV programs*	_____
4. FFEL/Direct PLUS	_____	_____	* Do not include FWS	_____

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment _____

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment _____

STEP 2: Percentage of Title IV Aid Earned

C. * Withdrawal date _____

* Percentage of payment period or period enrollment completed

Calculation 1 - Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours.

_____ % $\frac{\text{completed hours}}{\text{total hours}}$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 - Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

_____ % $\frac{\text{completed hours}}{\text{scheduled to complete}}$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

_____ % $\frac{\text{scheduled to complete}}{\text{total hours}}$

* Scheduled absences do NOT count as completed hours.

3-31

Clock Hour Programs Calculation 1

- Divide clock hours completed by clock hours in period
 - Excused absences don't count as hours completed
- If percentage is greater than 60%, enter 100% for item C (percentage earned)
- If percentage is less than or equal to 60%, go to Calculation 2

3-32

To calculate the percentage of the period completed, the school has the option of using clock hours scheduled to be completed, if the ratio of hours completed to hours scheduled to completed is equal to or greater than 70%.

Clock Hour Programs Calculation 2

- Divide hours completed by hours scheduled to be completed
- Determine if student completed at least 70% of hours scheduled to be completed
 - If so, school may use scheduled hours in lieu of completed hours to calculate percentage of period completed
 - If not, enter percentage from Calculation 1 for item C

3-33

Percentage of Period Completed *Clock Hour Program*

- Completed 205 of 450 clock hours for period
- Scheduled to complete 300 of 450 clock hours for period
- Ratio of clock hours completed to clock hours scheduled:
 $205:300 = 68.3\%$
- Student did not complete at least 70% of hours scheduled
- School *must use* 205 completed clock hours
- % period completed:
 $205/450 = 45.6\%$

3-34

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date / /

• Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\boxed{205}}{\text{completed hours}} \div \frac{\boxed{450}}{\text{total hours}} = \underline{45.6} \%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\boxed{205}}{\text{completed hours}} \div \frac{\boxed{300}}{\text{scheduled to complete}} = \underline{68.3} \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\boxed{\quad}}{\text{scheduled to complete}} \div \frac{\boxed{\quad}}{\text{total hours}} = \underline{\quad} \%$$

*Excused absences do NOT count as completed hours.

C

45.6%

3-35

Percentage of Period Completed *Clock Hour Program*

- Completed 245 of 450 clock hours for period
- Scheduled to complete 306 of 450 clock hours for period
- Ratio of clock hours completed to clock hours scheduled:
 $245:306 = 80.1\%$
- Student completed at least 70% of hours scheduled
- School *may use* 306 completed clock hours
- % period completed:
 $306/450 = 68.0\%$

3-36

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date / /

- Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\boxed{245}}{\text{completed hours}} \div \frac{\boxed{450}}{\text{total hours}} = \underline{54.4} \%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\boxed{245}}{\text{completed hours}} \div \frac{\boxed{306}}{\text{scheduled to complete}} = \underline{80.1} \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\boxed{306}}{\text{scheduled to complete}} \div \frac{\boxed{450}}{\text{total hours}} = \underline{\hspace{1cm}} \%$$

*Excused absences do NOT count as completed hours.

C

68.0%

3-37

Percentage Title IV Aid Earned *Credit Hour and Clock Hour Programs*

- 60% threshold can't be reached by rounding up
- For clock hours programs, 60% threshold can't be reached by using hours scheduled to be completed

3-38

Percentage Title IV Aid Earned *Threshold Guidelines*

- 60% threshold can't be reached by rounding up
 - .5995 percentage completed rounds to 60.0%
Percentage earned = 60.0%, not 100%
- If percentage completed exceeds 60%,
percentage earned = 100%
 - .6001 percentage completed rounds to 60.0%
Percentage earned = 100%

3-39

Step 3: Amount of Title IV Aid Earned by the Student

$$\begin{array}{rcl}
 & \text{Percentage of Title IV aid earned} & \text{(C)} \\
 \text{X} & \text{Total Title IV disbursement} & \text{(B)} \\
 \hline
 = & \text{Amount of Title IV aid earned} & \text{(D)}
 \end{array}$$

3-40

Step 4: Total Title IV Aid to be Disbursed or Returned

Determine if student is due Post-withdrawal
disbursement

$$\begin{array}{rcl}
 & \text{Amount of Title IV aid earned} & \text{(D)} \\
 - & \text{Title IV aid disbursed} & \text{(A)} \\
 \hline
 = & \text{Post-withdrawal disbursement due} & \text{(E)}
 \end{array}$$

3-41

If no post-withdrawal disbursement is due, loans “that could have been disbursed” must be cancelled.

Post-Withdrawal Disbursement Tracking Sheet	
Student's Name _____	Social Security Number _____
Amount of Post-Withdrawal Disbursement	
A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet	A \$
Post-Withdrawal Disbursement Credited to Student's Account	
B. Total outstanding charges on student's account	B \$
C. Total amount of post-withdrawal disbursements credited to student's account	
• Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ • Amount of post-withdrawal disbursement credited for other current charges + \$ • Amount of post-withdrawal disbursement credited for minor prior year charges + \$ 	
Total Amount Credited to Account	
C \$ 	
D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on 	
E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent 	
Post-Withdrawal Disbursement Offered to Student/Parent	
F. Total amount of post-withdrawal disbursement (Box A) – amount of post withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent	
F \$ 	
G. Notification sent to student and/or parent on 	
H. ☐ Response received from student/parent on 	
☐ Response not received	
I \$ 	
J. Amount accepted	
K. Accepted funds sent on 	
Post-Withdrawal Disbursement Made From	
Pell Grant _____	Subsidized FFEL/Direct Stafford Loan _____
FSEOG _____	Unsubsidized FFEL/Direct Stafford Loan _____
Other Title IV programs (grants) _____	Perkins Loan _____
	FFEL/Direct PLUS _____
	Other Title IV programs (loans) _____

3-42

Make post-withdrawal disbursements in the order of funds that most benefits the student - but always grants before loans.

Post-Withdrawal Disbursements

- Must be made from available grant funds before available loan funds
- Within 90 days of school's determination that student withdrew
- Credit student's account for outstanding current period charges
 - May include minor prior academic year charges

3-43

If loan funds are used to credit the student's account, notify the student (or parent) within 30 days to give opportunity to cancel all or part of the loan.

Post-Withdrawal Disbursements (cont.)

- Offer remaining post-withdrawal disbursement to student
 - Within 30 days of school's determination that student withdrew
 - In writing
 - Identify type and amount of funds
 - Explain option to accept/decline all or part
 - Advise that response must be received within 14 days of date of notice

3-44

Post-Withdrawal Disbursements (cont.)

- If no response, no further disbursement is made
- If receive timely response requesting disbursement, must disburse within 90 days of school's determination of withdrawal
- If receive late response requesting disbursement, school may disburse or not
- If school opts not to disburse due to late response, must send notice (in writing or electronically) of outcome of request

3-45

If the notice is sent electronically, the school must retain electronic receipts as documentation that the notice was sent and received.

Post Withdrawal Disbursement (cont.)

- Student is due disbursement of \$750.00
 - \$300.00 in Pell
 - \$450.00 in Perkins
- Outstanding balance on account is \$500.00
 - \$350.00 for remaining tuition and fees
 - \$100.00 for parking fines
 - \$ 50.00 for library fines
- School has no authorization to cover non-educationally related expenses

3-46

Post Withdrawal Disbursement (cont.)

- Credit student's account for \$350.00
 - No authorization to cover parking and library fines
- Use available grants before available loans
 - \$300.00 Pell
 - \$ 50.00 Perkins
- In writing, offer student remaining portion of post-withdrawal disbursement

3-47

Step 4: Total Title IV Aid to be Disbursed or Returned

- If no post-withdrawal disbursement is due, determine how much Title IV aid to return

Title IV Aid Disbursed	(A)
– Amount of Title IV Aid Earned	(D)
= Total Title IV Aid to be Returned	(F)

3-48

Title IV aid that could have been disbursed is not considered in calculating the amount of aid that must be returned.

Step 5: Amount of Unearned Title IV Aid Due from School

School returns lesser of

Institutional charges x Percentage unearned (I)
and

Amount of Title IV aid to be returned (F)

3-49

Step 5 *Institutional Charges*

Institutional Costs = Educational Expenses

- Tuition and fees
- Room and board
- Books, supplies, equipment, etc. that students must purchase from school

Non-Institutional Costs

- Course materials that students can buy elsewhere
- Pass-through charges for room and board
- Group health insurance, if required of all students and stays in effect

3-50

See Policy Bulletin, January 7, 1999, for more information on allowable institutional charges.

Step 5
Percentage of Title IV Aid Unearned

$$\begin{array}{rcl}
 & 100\% & \\
 - & \text{Percentage of Title IV aid earned} & \\
 \hline
 = & \text{Percentage of Title IV aid unearned} &
 \end{array}$$

3-51

**Step 6: Return of Funds
by School**

Loans

Unsubsidized Federal Stafford loans
 Subsidized Federal Stafford loans
 Unsubsidized Direct Stafford loans
 Subsidized Direct Stafford loans
 Perkins loans
 Federal PLUS loans
 Direct PLUS loans

3-52

Step 6: Return of Funds by School

Grants

Federal Pell Grant

Federal SEOG

Other Title IV Assistance

3-53

Step 6: Return of Funds by Student

- Return loan funds before grant funds
- Return funds to program ASAP, but no later than 30 days after determining withdrawal

3-54

Step 7: Initial Amount of Unearned Title IV Aid Due from Student

	Amount of Title IV aid to be returned	(F)
–	School's responsibility	(J)
=	Student's responsibility	(K)

3-55

Step 8: Return of Funds by Student

Loans

Unsubsidized Federal Stafford loans
Subsidized Federal Stafford loans
Unsubsidized Direct Stafford loans
Subsidized Direct Stafford loans
Perkins loans
Federal PLUS loans
Direct PLUS loans

3-56

Step 8: Return of Funds by Student

Grants

Federal Pell Grant x 50%

Federal SEOG x 50%

Other Title IV Assistance (x 50% for grants)

3-57

Step 8: Return of Funds by Student

- Loans are returned (repaid) in accordance with terms of promissory notes
- Grant repayments limited to 50% of unearned grant received
- School must follow guidelines in dealing with grant overpayments

3-58

Grant Overpayments *School's Responsibilities*

- Within 30 days of determining student's withdrawal, school must send student notice
- Student retains eligibility for title IV funds for initial 45-day period, during which one of the following should happen:
 - Repayment in full
 - Satisfactory repayment arrangement with school
 - Satisfactory repayment arrangement with Department

3-59

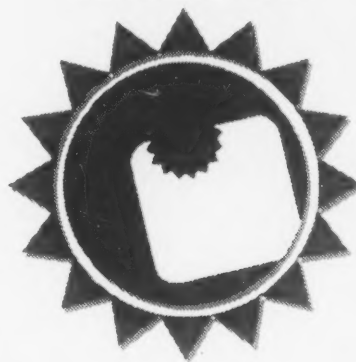
Grant Overpayments *School's Responsibilities*

- Must report overpayment to NSLDS
 - Mark appropriate flag corresponding to action taken
- Must report within 30 days after
 - Student takes timely action on options offered
 - Student fails to repay overpayment or sign agreement with school within 45 day period
 - Student fails to meet terms of agreement signed with school

3-60

Session Three—Return of Title IV Funds

Lunch Break



3-61

Session 3: Questions



3-62

Session 3: Case Studies



3-63



Case Study 3-I: Penny Jones

Calculating the return of Title IV funds for a student attending a two-year community college (semester) and receiving grants (partially disbursed)

Learning Objectives

Learn to complete Steps 1 – 4 of the Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program worksheet, and:

- Be able to identify the basic information needed to complete the worksheet, including the withdrawal date and date of the institution's determination that the student withdrew
- Be able to calculate the percentage of the period the student completed
- Be able to calculate both the percentage and the amount of Title IV aid earned by the student
- Be able to determine either that the student is due a post-withdrawal disbursement (PWD) of Title IV aid or that Title IV aid must be returned
- Be able to determine the amount of the PWD or return as well as the additional steps required

School Profile

Name:	Everyone Should Have an Education Community College (ESHECC)
School Type:	2 year, public, residential, credit hour
Academic Year/Program:	2 semesters, total of 32 weeks
Period:	16 weeks (110 calendar days)
Period Start Date:	August 23
Period End Date:	December 10
5 Consecutive Day Break:	No (no Sat. – Sun. classes)
Taking Attendance Required:	No
Method for Matching SEOG:	Fund specific

Charges to Student's Account:

Tuition and fees	\$ 1,000.00/16 week semester
Room and Board	\$ 2,250.00/16 week semester
Books and Supplies	\$ 400.00/16 week semester
Health Insurance	\$ 250.00/academic year
Student Account Balance:	\$ 1,900.00
Health Ins	\$ 250.00
Books & Supplies	\$ 400.00
Room & Board	\$1,250.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Penny Jones is a first-year student who was home-schooled in Virginia. After determining that she was eligible to receive Title IV funds, her FA administrator packaged her aid to include the following annual awards:

\$3,125.00	Pell Grant
\$1,500.00	SEOG
\$1,000.00	State Grants
\$1,500.00	Institutional Awards

On the first day of the fall semester, August 23, Penny received the following disbursements to her student account:

\$ 0.00	Pell Grant
\$ 750.00	SEOG
\$ 500.00	State Grants (not funded by LEAP)
\$ 750.00	Institutional Awards

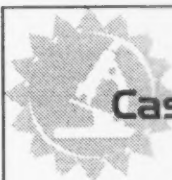
Although Penny is grateful for the assistance, she is concerned about how her total costs for the fifteen credit hours she is taking this semester and her room and board are going to be covered:

\$1,000.00	Tuition and Fees
\$2,250.00	Room and Board
\$ 250.00	Health Insurance
\$ 400.00	Voucher for books (good only at ESHECC campus bookstore)

On October 8, Penny came by your office to advise that she doesn't think she is doing very well and is considering dropping out prior to November 1, the last day to withdraw

from classes without academic penalty. To help her make a decision, she requests information on the withdrawal process. You are fairly certain that Penny is having a hard time adjusting to college life and want to encourage her to hang in until the end of the semester, December 10. However, because you are in the midst of trying to resolve your problems reporting Pell origination records (so that you then can make Pell disbursements, including Penny's \$1,562.50 disbursement), you don't have time at the moment to talk to her. You ask her to set an appointment to see you the following week, on October 13.

When Penny comes to see you on October 13, she confesses that the last class she attended was on September 30. Because she doesn't see how she can get caught up on the work she's missed, she is adamant about withdrawing. So, you give her instructions on completing the college's official withdrawal process and advise her where she can get the appropriate form. Finally, you remind her that the school's policy is that the date of withdrawal is the date the student turns in the signed form (which she did on October 15).



Case Study 3-I: Penny Jones

- Attended 2-year community college on semester system (credit hour)
- Withdrew before Pell Grant could be disbursed
- Received SEOG disbursement

3-64



Case Study 3-1: Penny Jones

Learning Objectives

- Identify basic information need to complete worksheet
- Calculate percentage of period completed
- Calculate percentage and amount of title IV aid earned
- Determine whether student is due a post-withdrawal disbursement or Title IV aid must be returned

3-65



Step 1: Student's Title IV Aid Information

- Date of school's determination that student withdrew
- Item A: Title IV aid disbursed
- Item B: Title IV aid disbursed plus Title IV aid that could have been disbursed

3-66

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Penny Jones Social Security Number Case Study 3-1

Date Form Completed / / Date of the institution's determination that the student withdrew 10 / 13 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	<u> </u>	<u> </u>		
2. Subsidized FFEL/Direct Stafford Loan	<u> </u>	<u> </u>		
3. Perkins Loan	<u> </u>	<u> </u>		
4. FFEL/Direct PLUS	<u> </u>	<u> </u>		
5. Pell Grant	<u> </u>	<u> </u>		<u>\$1,562.50</u>
6. FSEOG	<u> </u>	<u> </u>	<u>\$750.00</u>	<u> </u>
7. Other Title IV programs*	<u> </u>	<u> </u>	<u> </u>	<u> </u>

* Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 750.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 2,312.50

3-67

Steps 2 & 3: Percentage and Amount of Title IV Aid Earned

■ Item C: Percentage of Title IV aid earned

- Withdrawal date
- Period start date
- Period end date
- Percentage of period completed
 - Number of calendar days completed
 - Number of calendar days in period

■ Item D: Amount of Title IV aid earned

3-68

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Penny Jones Social Security Number Case Study 3-1

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3. O school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 10/13/ Payment period/period of enrollment start date 8/23/ end date 12/10/

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{52}{110} = 47.3\%$$

completed days total days

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 47.3%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{47.3\%}{\text{Box C}} \times \frac{\$2,312.50}{\text{Box B}} = \frac{\$1,093.81}{\text{D}}$$

3-69



Step 4: Total Title IV Aid to be Disbursed or Returned

- Item E: Post withdrawal-disbursement
- Item F: Title IV aid to be returned

3-70

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Penny Jones Social Security Number Case Study 3-1

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. Post-withdrawal disbursement. Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

\$ 1,093.81	–	\$ 750.00	=	E	\$ 343.81
Box D		Box A			

F. Title IV aid to be returned. Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

	–		=	F	
Box A		Box D			

3-71

Post-Withdrawal Disbursement Tracking Sheet

Student's Name Penny Jones Social Security Number Case Study 3-1

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet A \$ 343.81

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account B \$ 1,900.00

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ 343.81
- Amount of post-withdrawal disbursement credited for other current charges + \$ 0.00
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ 0.00

Total Amount Credited to Account C \$ 343.81

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent F \$ 0.00

G. Notification sent to student and/or parent on

H. ☐ Response received from student/parent on
☐ Response not received

I. Amount accepted I \$

J. Accepted funds sent on

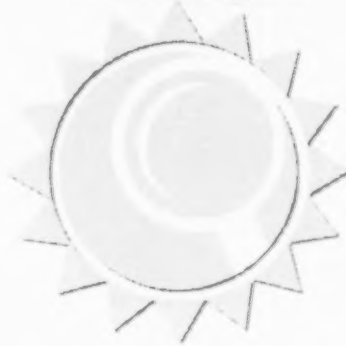
Post-Withdrawal Disbursement Made From

Pell Grant	<u>\$343.81</u>	Subsidized FFEL/Direct Stafford Loan	<u> </u>
FSEOG	<u> </u>	Unsubsidized FFEL/Direct Stafford Loan	<u> </u>
Other Title IV programs (grants)	<u> </u>	Perkins Loan	<u> </u>
		FFEL/Direct PLUS	<u> </u>
		Other Title IV programs (loans)	<u> </u>

3-72

Session Three—Return of Title IV Funds

Session 3: Review Exercise
Case Study 3-1



3-13

Case Study 3-1 Review Exercise

Check all the boxes of the data elements that are relevant to this particular case study.

- ☐ Amount of state grant(s) disbursed
- ☐ Date student began the process of withdrawing from school
- ☐ Date student skipped her first class
- ☐ Amount of institutional grant(s) awarded
- ☐ Amount of Pell Grant awarded
- ☐ Date fall semester began
- ☐ Date fall break began
- ☐ Date student began thinking about withdrawing
- ☐ Amount of library fines the student incurred
- ☐ Amount of tuition and fees charged for the period
- ☐ Amount of housing allowance for a student living at home
- ☐ Amount of voucher for books purchased in campus bookstore
- ☐ Number of credit hours the student's parent wanted her to take
- ☐ Amount of Pell Grant disbursed
- ☐ Amount of Perkins loan award for which student is eligible
- ☐ Student's year in college
- ☐ Date semester ended
- ☐ Date student submitted the signed withdrawal form



Case Study 3-2: Penny Jones

*Treatment of other aid consisting of federal funds
when calculating the return of Title IV funds*

Learning Objectives:

Learn to complete Steps 4 – 8 of the Return of Title IV Funds Worksheet, and:

- Be able to determine the amount of Title IV funds that must be returned
- Be able to determine the amount of unearned Title IV funds due from the school and the order of return of funds to the various programs
- Be able to determine the amount of unearned Title IV funds due from the student and the order of return of funds to the various programs
- Be able to determine the steps in handling grant overpayments owed by the student

Student Profile

Penny's situation has changed somewhat. All of her Title IV aid, including her Pell Grant, was disbursed prior to her withdrawal from college (no change to the withdrawal date). In addition, she's not residing on campus, the \$500.00 state grant she received consisted of 50% LEAP funds, and the semester has a fall break that runs October 18 through October 22.



Case Study 3-2: Penny Jones

- Same student as Case Study 3-1
- Same scenario, except that
 - Penny lives at home
 - All aid was disbursed
 - State grant consists of 50% LEAP funds
 - Semester has scheduled break of at least 5 consecutive days

3-74



Case Study 3-2: Penny Jones

Learning Objectives

- Determine how much Title IV funds must be returned
- Determine how much school is responsible for returning and order of return
- Determine how much student is responsible for returning and order of return
- Determine steps in handling grant overpayments

3-75

Session Three—Return of Title IV Funds

Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Penny Jones Social Security Number Case Study 3-2

Date Form Completed 1/1 Date of the institution's determination that the student withdrew 10/13

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, 44.85 would be 44.9 or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			\$ 562.50	
2. Subsidized FFEL/Direct Stafford Loan			\$ 750.00	
3. Perkins Loan				
4. FFEL/Direct PLUS				
			* Other Title IV programs*	\$ 500.00

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment 10/13 **A** \$ 2,812.50

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment **B** \$ 2,812.50

STEP 2: Percentage of Title IV Aid Earned

C. *If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3. If school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 10/13 Payment period/period of enrollment start date 8/22 end date 12/10

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence)

$$\frac{52}{101} = 51.5\%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 51.5%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{51.5\%}{\text{Box C}} \times \frac{\$ 2,812.50}{\text{Box B}} = \frac{\$ 1,468.44}{\text{Box D}}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. If the amounts in Boxes A and D are equal, STOP. No further action is necessary.

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\frac{\text{Box D}}{\text{Box A}} = \frac{\$ 1,468.44}{\$ 2,812.50} = \text{Box E}$$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\frac{\$ 2,812.50}{\text{Box A}} - \frac{\$ 1,468.44}{\text{Box D}} = \frac{\$ 1,344.06}{\text{Box F}}$$

3-76

Student's Name Penny Jones Social Security Number Case Study 3-2

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees \$1,000.00 Board _____ Other _____
Room _____ Other \$400.00 Other _____
Total Institutional Charges G \$ 1,400.00

H. Percentage of Title IV aid unearned (100% - Box C) 48.5% H

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$1,400.00 X 48.5% = \$ 679.00
Box G Box H I

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. \$ 679.00 J

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	_____	5. Pell Grant	<u>\$679.00</u>
2. Subsidized FFEL/Direct Stafford Loan	_____	6. FSEOG	_____
3. Perkins Loan	_____	7. Other Title IV programs	_____
4. FFEL/Direct PLUS	_____		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$1,364.06 - \$679.00 = \$ 685.06
Box F Box J K

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return	Initial Amount to Return	Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	_____	5. Pell Grant <u>\$685.06</u> x 50% =	<u>\$342.53</u>
2. Subsidized FFEL/Direct Stafford Loan*	_____	6. FSEOG _____ x 50% =	_____
3. Perkins Loan*	_____	7. Other Title IV programs	_____
4. FFEL/Direct PLUS*	_____	(x 50% for grant funds)	_____

* Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

3-77

Session 3: Discussion Questions
Case Study 3-2



3-78

Case Study 3-2 Discussion Questions

1. What would have been the percentage Title IV aid earned if Penny had withdrawn from college after completing 65% of the semester?
2. How would Penny's FSEOG grant have been treated in the calculation if Penny's school uses either the individual recipient or aggregate method for matching FSEOG funds?
3. What is required of the school once it determines that Penny owes a grant overpayment? How might Penny satisfy her obligation to repay these funds and still retain her Title IV eligibility?

Session 3: Review Exercise
Case Study 3-2



3-79

Case Study 3-2 Review Exercise

Please read each of the following statements. Indicate in the spaces next to each whether the statement is "True" or "False."

- ☐ 1. A school may establish a policy for the refund of institutional charges independently of the requirements for the return of Title IV funds.
- ☐ 2. A school may establish its own withdrawal policy/process independently of the requirements for the return of Title IV funds.
- ☐ 3. For students who receive Title IV aid, the withdrawal policy/process a school establishes internally takes precedence over the federal requirements for the return of Title IV funds.
- ☐ 4. The school is not required to publish and make available to students its internal policies regarding refunds and withdrawals.
- ☐ 5. The withdrawal date used in the return of Title IV funds calculations must be consistent with the withdrawal date documented by the school's registrar and used internally.
- ☐ 6. Generally, state and institutional aid is not considered in the return of Title IV funds calculation.
- ☐ 7. A student's withdrawal date and the date the school determined the student withdrew are not necessarily one in the same.
- ☐ 8. A school that is required to take attendance must determine a student's withdrawal date from the attendance records.
- ☐ 9. A school that is not required to take attendance may determine the student's withdrawal date from the student's attendance at an academically-related event, only if the student did not begin the school's withdrawal process or otherwise notify the school of his/her intent to withdraw.
- ☐ 10. Because clock-hour schools use clock hours completed and/or scheduled in the return of Title IV calculation, these schools are not required to document the student's withdrawal date.
- ☐ 11. If a student withdraws without providing notification, the date of the school's determination is same as the student's withdrawal date.

- _____ 12. The date the school becomes aware that the student withdrew is the “trigger” date for various notifications the school must provide.
- _____ 13. If the school is responsible for returning Title IV funds, the deadline for returning the funds is 30 days after the school’s determination that the student withdrew.
- _____ 14. If the student is due a post-withdrawal disbursement and has remaining Title IV loan funds available after charges have been credited to the student’s account, the school must make the offer for the disbursement within 90 days of its determination that the student withdrew.
- _____ 15. Schools are not required to determine if their students who receive Title IV aid withdrew without notification.



Case Study 3-3: Harry Springer

Calculating the return of Title IV funds for a student who received loans and LEAP funds, and is attending a proprietary school (clock hour)

Learning Objectives

- Calculate ratio of completed clock hours to scheduled clock hours
- Calculate percentage of Title IV aid earned/unearned based on clock hours
- Determine withdrawal date for student who didn't provide notification of intent to withdraw

School Profile

Name:	Quality Tech School (QTS)
School Type:	Proprietary, clock-hour
Academic Year/Program:	900 clock hours over 30 weeks
Period:	450 clock hours over 15 weeks
Period Start Date:	September 7
Period End Date:	December 22
5 Consecutive Day Break:	No
Taking Attendance Required:	Yes
Method for Matching SEOG:	Fund specific
Charges to Student's Account:	
Tuition and Fees	\$1,750.00/15 week period
Room and Board	(non-residential school)
Books and Supplies	\$ 250.00/15 week period
Student Account Balance:	\$ 250.00
Books & Supplies	\$250.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Harry Springer was eligible for the following annual awards:

\$2,000.00	Net Subsidized Stafford Loan
\$1,500.00	Perkins Loan
\$1,000.00	Institutional Awards

His student account was credited with both Stafford and Perkins loan disbursements for the fall period. However, the disbursement of the institutional grant was placed on hold until Harry turns in a required form. Also, Harry did not live on campus but was charged \$250.00 for books, which had to be purchased at Quality Tech's campus store.

Everything seemed to be going very well for Harry—until fall break. Due to personal problems, Harry didn't return to Quality Tech, and he didn't bother to let anyone know that he was dropping out. It wasn't until you called him on November 5—to give him a last chance to turn in the institutional form still needed—that you discovered he hadn't returned after fall break (November 2-4). Upon checking with the director of the program, you verified that Harry had completed 210 of the 250 clock hours scheduled for completion on the last day he attended prior to fall break (November 1).

Using the information provided, complete the worksheet.

Case Study 3-3: Harry Springer

- Attends proprietary, clock hour school
- School is required to take attendance
- FSEOG matched by fund-specific method
- Student withdrew without providing official notification

3-80



Case Study 3-3: Harry Springer

Learning Objectives

- Determine withdrawal date for student who didn't provide notification
- Calculate ratio of completed clock hours to clock hours scheduled to be completed
- Calculate percentage and amount of Title IV aid earned

3-81

Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name Harry Springer Social Security Number Case Study E-E
 Date Form Completed 11/1 Date of the institution's determination that the student withdrew 11/5
 Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, 6666 would be .667 or 66.7%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Institutional FFEL Direct Stafford Loan				
2. Subsidized FFEL Direct Stafford Loan	\$1,000.00			
3. Perkins Loan	\$ 750.00			
4. FFEL Direct PLUS				
5. Pell Grant				
6. FSEOG				
7. Other Title IV programs*				
*See section 700.				
A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment				\$ 1,750.00
B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment				\$ 1,750.00

STEP 2: Percentage of Title IV Aid Earned

C. *Withdrawal date 11/1

*Percentage of payment period or period enrollment completed

Calculation 1 - Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{210}{\text{completed hours}} \div \frac{450}{\text{total hours}} = .467 \%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 5.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 - Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew

$$\frac{210}{\text{completed hours}} \div \frac{250}{\text{scheduled to complete}} = .840 \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 5. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{250}{\text{scheduled to complete}} \div \frac{450}{\text{total hours}} = .556 \%$$

*Partial classes do NOT count as completed hours

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{55.6\%}{\text{Box C}} \times \frac{\$1,750.00}{\text{Box B}} =$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to Item E. If the amount in Box A is greater than the amount in Box D, go to Item F. If the amounts in Boxes A and D are equal, STOP. No further action is necessary.

3-82

Session Three—Return of Title IV Funds

Student's Name Harry Springer Social Security Number Case Study 3-3

Step 4: Total Title IV Aid to be Disbursed or Returned: Continued

1. **Post withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post withdrawal disbursement tracking sheet.

Box D	Box A	=	E	\$	
-------	-------	---	---	----	--

2. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

Box A	Box D	=	F	\$	777.00
-------	-------	---	---	----	--------

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

3. Institutional charges for the payment period or period of enrollment

Tuition and Fees	Board	Other			
\$1,750.00					
Room	Other				
\$250.00					
Total Institutional Charges			G	\$	2,000.00

4. **Percentage of Title IV aid unearned (100% - Box C)**

H	66.6%
---	-------

5. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

Box G	x	Box H	=	I	\$	888.00
-------	---	-------	---	---	----	--------

6. **Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount.**

J	\$	777.00
---	----	--------

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Amount for School to Return	Amount for School to Return
1. Unsubsidized FFEL Direct Stafford Loan	5. Pell Grant
2. Subsidized FFEL Direct Stafford Loan	6. FSEOG
3. Perkins Loan	7. Other Title IV programs
4. FFEL Direct PLUS	

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

8. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

Box F	Box J	=	K	\$	0.00
-------	-------	---	---	----	------

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

Amount for Student to Return	Initial Amount to Return	Amount for Student to Return
1. Unsubsidized FFEL Direct Stafford Loan*	5. Pell Grant x 50%	
2. Subsidized FFEL Direct Stafford Loan*	6. FSEOG x 50%	
3. Perkins Loan*	7. Other Title IV programs (a 50% for grant funds)	
4. FFEL Direct PLUS*		

* If an amount is returned in accordance with the terms of the previous note. No further action is required other than contribution to the holder of the loan of the student's withdrawal date.

3-83

Session 3: 15-Minute Break



3-84



Session 3: Return of Title IV Funds Case Studies

<u>School Type</u>	<u>Recommended Cases</u>
Clock hour	3, 4, 5
Community Colleges	7, 10
4-year public	6, 8
4-year private	9, 10

3-85

Session 3: Case Study Exercises



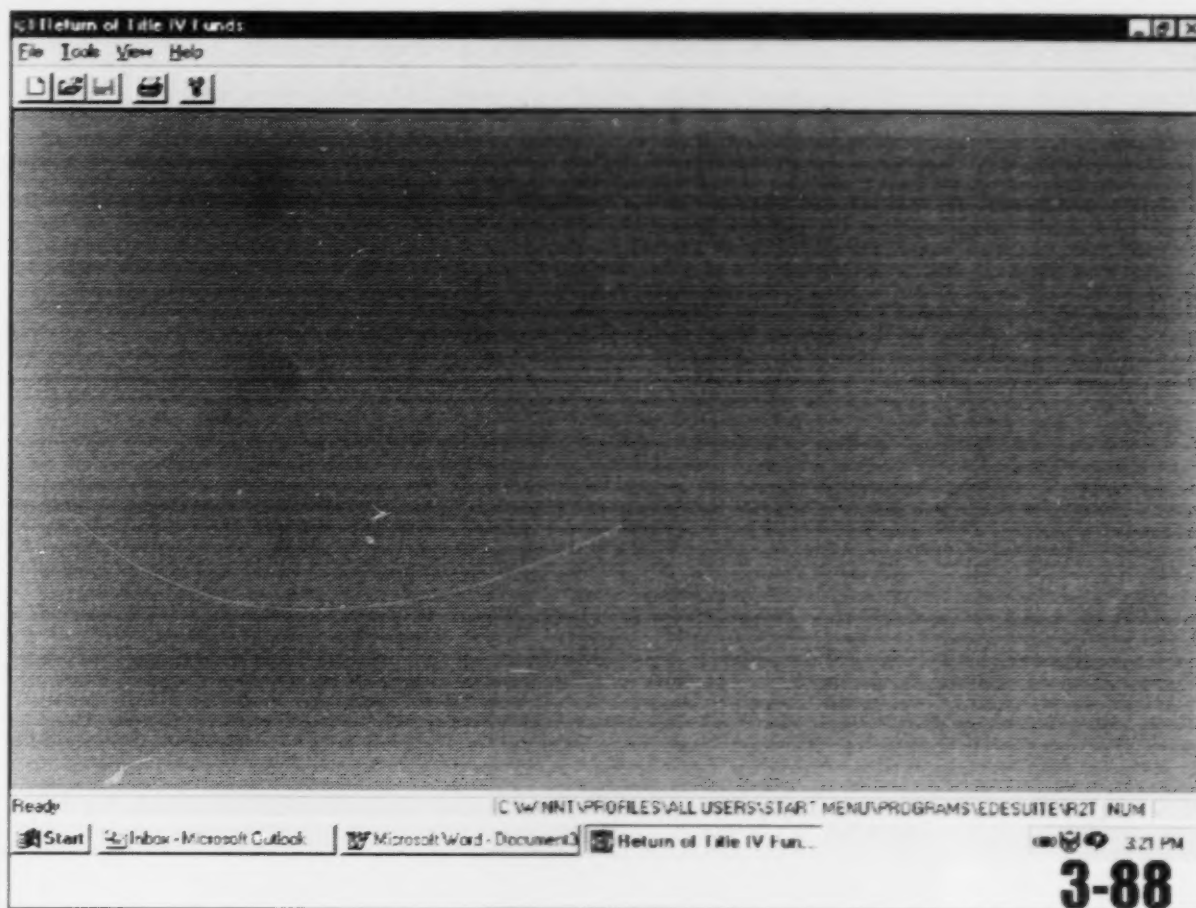
3-86

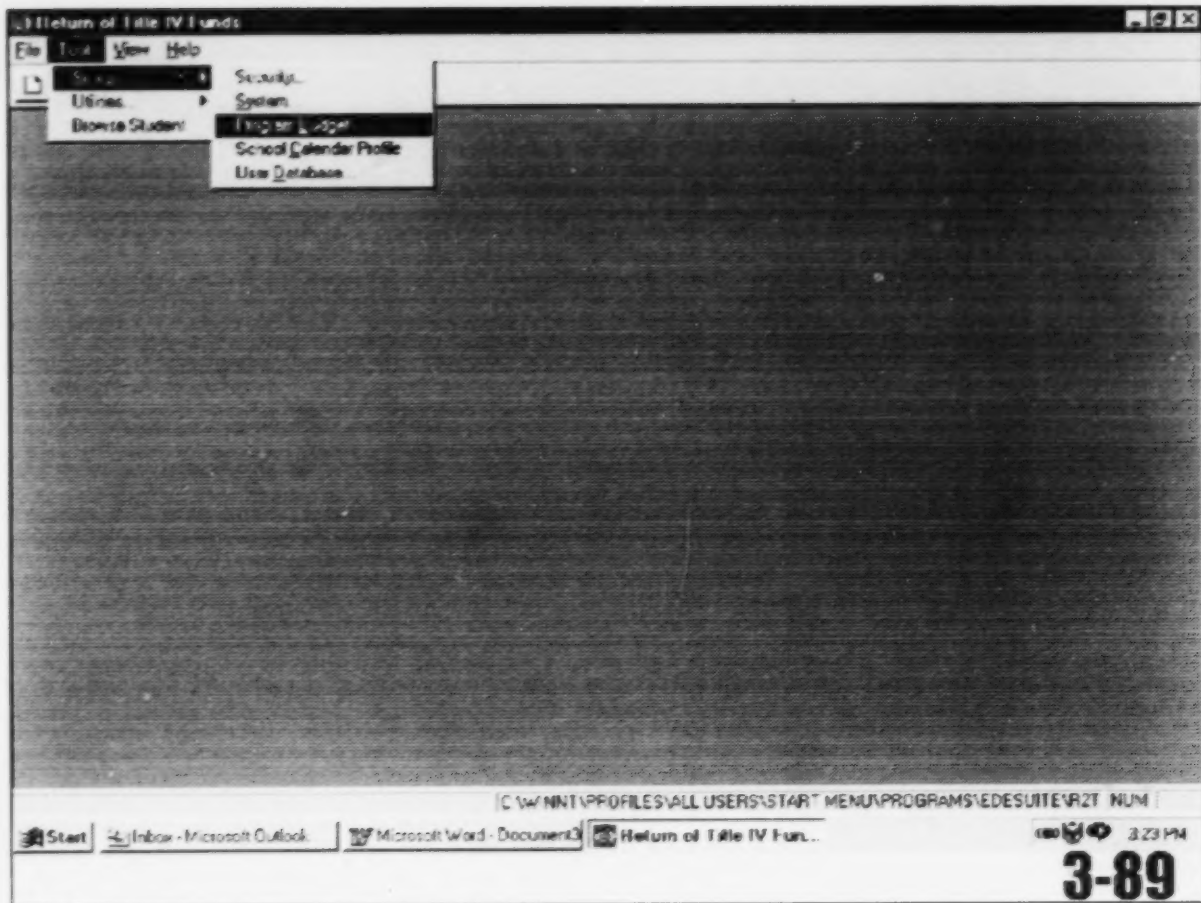
Return of Title IV Funds Software

- Available Spring 2000 via the web
- Software issues will be supported by CPS
- Profiles accommodate variables
- Rounding consistent with regulations

3-87

Session Three—Return of Title IV Funds





Session Three—Return of Title IV Funds

Return of Title IV Funds

File Tools View Help

Program Budget

User Modified: SYSADMIN Date Modified: 01/14/2000

Program Budget Code:

Year: 1999

Program Title:

Program Type:

Description	Amount
TUITION AND FEES	
ROOM	
BOARD	

Total:

OK Cancel Help

Ready [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\EDS\TITLE IV\RT NUM]

Start Inbox - Microsoft Outlook Microsoft Word - R274 sor... Return of Title IV Fun...

4:32 PM

3-90

File Tools View Help

Program Budget

User Modified: SYSADMIN Date Modified: 01/14/2000

Program Budget Code:

You:

Program Title:

Program Type:

Description	Amount
TUITION AND FEES	\$ 5500.00
ROOM	\$ 1800.00
BOARD	\$ 1200.00
MICKEY MOUSE EARS	\$ 300.00

Total:

2 of 2

Add Delete Save Print

OK Cancel Help

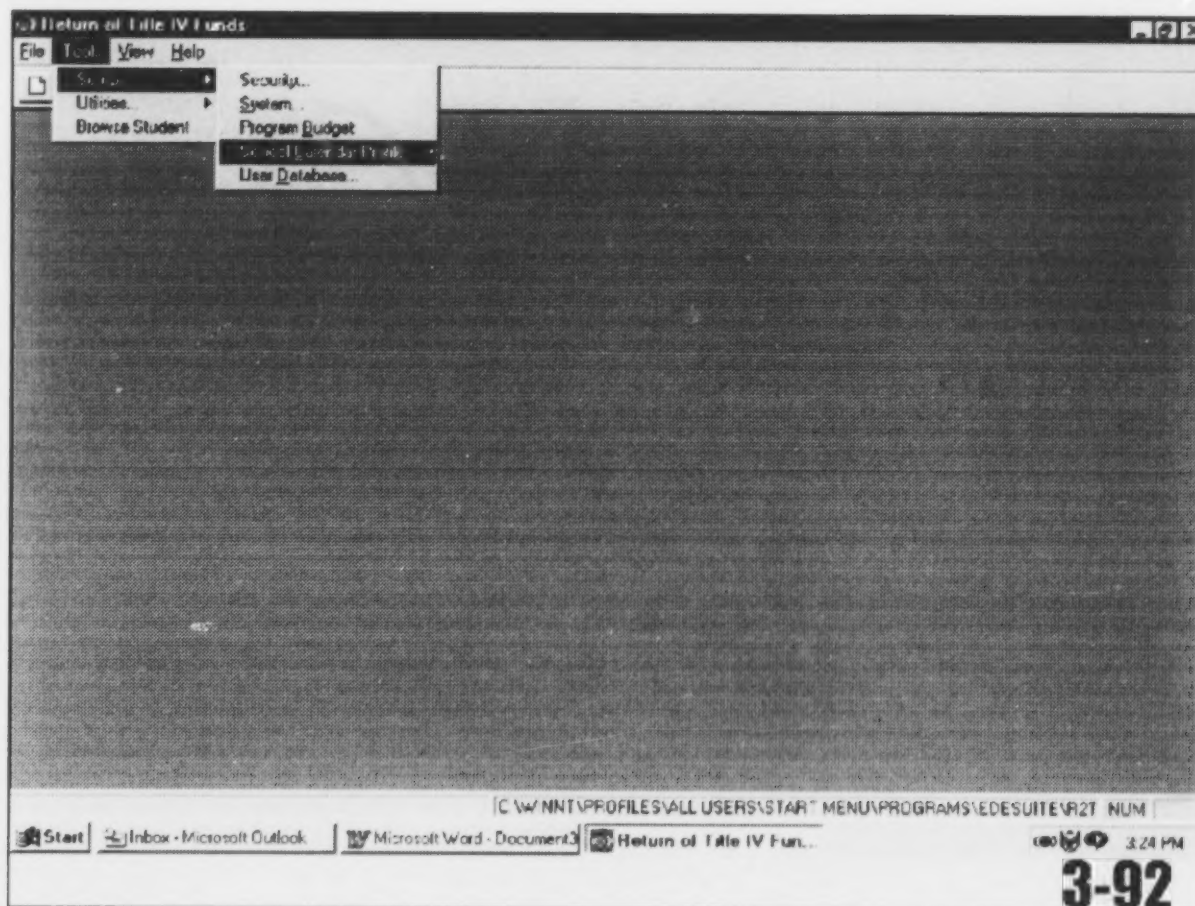
Ready [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\EDS\UIE\VR2T NUM]

Start | Inbox - Microsoft Outlook | Microsoft Word - Document3 | Return of Title IV Fun...

3:22 PM

3-91

Session Three—Return of Title IV Funds



Return of Title IV Funds

File Tools View Help

School Calendar Profile

User Modified: SYSADMIN Date Modified: 01/14/2000

School Information

School Calendar Profile Title: _____

School Calendar Profile Code: _____ Year: 1999

Program Budget Code: _____ Total Clock Hours in Program: _____

Credit Hours Program: ☒ Number of Days in Payment Period: _____

Clock Hours Program: ☐ Number of Scheduled Break Days: _____

Payment Period or Period of Enrollment Start Date: __/__/__ Number of days to be used in Calculation: _____

Payment Period or Period of Enrollment End Date: __/__/__

Scheduled Break Days

Starting Date	Ending Date	Description

OK Cancel Help

Ready | C:\WINNT\PROFILE\ALL USERS\START MENU\PROGRAMS\DESUITE\R2T | NUM |

Start | Inboxes - Microsoft Outlook | Microsoft Word - Document3 | Return of Title IV Fun..

3:24 PM

3-93

Session Three—Return of Title IV Funds

Return of Title IV Funds

File Tools View Help

School Calendar Profile

User Modified: SYSADMIN Date Modified: 01/14/2000

School Information

School Calendar Profile Title: DISNEY WORLD FALL INSTITUTE

School Calendar Profile Code: DW Year: 1999

Program Budget Code: DWFL

Credit Hours Program: ☐

Clock Hours Program: ☒

Payment Period or Period of Enrollment:

Start Date:

Payment Period or Period of Enrollment End Date:

Total Clock Hours in Program: 3/5

Number of Days in Payment Period:

Number of Scheduled Break Days:

Number of days to be used in Calculation:

Scheduled Break Days

Starting Date	Ending Date	Description

OK Cancel Help

Ready [C:\WINNT\PROFILE\ALL USERS\START MENU\PROGRAMS\DESUITE\RT NUM]

Start Inbox - Microsoft Outlook Microsoft Word - Document Return of Title IV Fun... 3:27 PM

3-94

Return of Title IV Funds

File Tools View Help

School Calendar Profile

User Modified: SYSADMIN Date Modified: 01/14/2000

School Information

School Calendar Profile Title: DISNEY WORLD FALL INSTITUTE

School Calendar Profile Code: 1996 Year: 1996

Program Budget Code: DWFL

Credit Hours Program: ☒ Total Clock Hours in Program:

Clock Hours Program: ☐ Number of Days in Payment Period: 14

Payment Period or Period of Enrollment Start Date: 06/01/1999 Number of Scheduled Break Days:

Payment Period or Period of Enrollment End Date: 12/16/1999 Number of days to be used in Calculation:

Scheduled Break Days

Starting Date	Ending Date	Description

OK Cancel Help

Ready [C:\WINNT\PROFILE\ALL USERS\START MENU\PROGRAMS\NED\SUITE\RTI\NUM]

Start Inbox - Microsoft Outlook Microsoft Word - Document Return of Title IV Fun... 3:28 PM

3-95

Session Three—Return of Title IV Funds

Return of Title IV Funds

File Tools View Help

School Calendar Profile

User Modified: SYSADMIN Date Modified: 01/14/2000

School Information

School Calendar Profile Title: DISNEY WORLD INSTITUTE

School Calendar Profile Code: 2000 Year: 2000

Program Budget Code: DWFI

Credit Hours Program: ☒ Total Clock Hours in Program:

Clock Hours Program: ☐ Number of Days in Payment Period:

Payment Period or Period of Enrollment Start Date: 01/05/2000 Number of Scheduled Break Days:

Payment Period or Period of Enrollment End Date: 04/28/2000 Number of days to be used in Calculation:

Scheduled Break Days

Starting Date	Ending Date	Description
03/01/2000	03/06/2000	SPRING BREAK

2 of 4

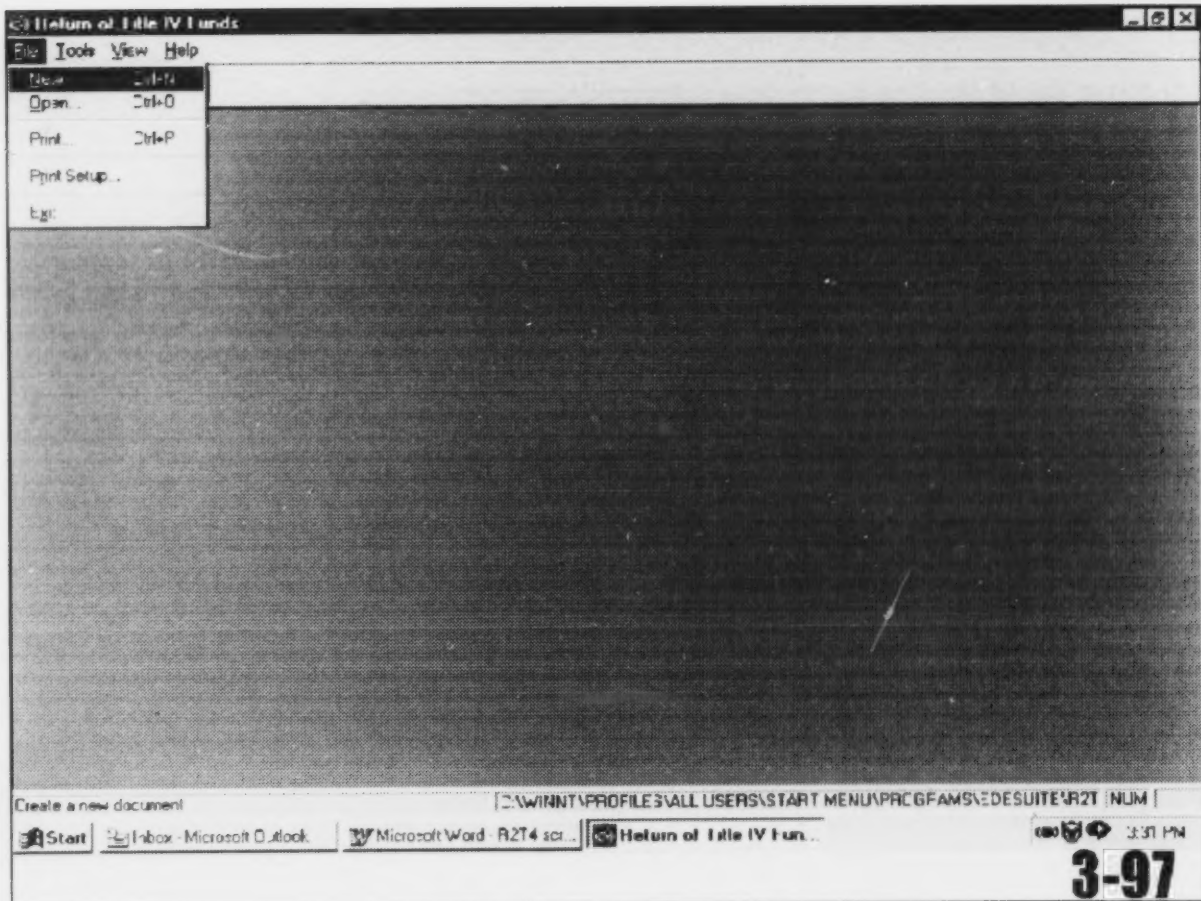
Add Delete Save Retrieve...

OK Cancel Help

Ready C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\VEDESUITE\R2T NUM

Start Inbox - Microsoft Outlook Microsoft Word - R2T4 scr... Return of Title IV Fun 3:52 PM

3-96



Session Three—Return of Title IV Funds

The screenshot shows a Windows 95-style desktop environment. The main application window is titled "Return of Title IV Funds" and has a menu bar with "File", "Tools", "View", and "Help". Below the menu bar is a toolbar with icons for file operations. A "New" dialog box is open in the center of the screen. The dialog box contains the following fields and controls:

- Social Security Number:** A text box containing "123 45-6789".
- Year:** A dropdown menu showing "199E".
- School Calendar Profile Code:** A text box containing "DW" followed by a small square icon.
- Buttons:** "OK", "Cancel", and "Help" buttons at the bottom.

The taskbar at the bottom shows the "Start" button and several open applications: "Inbox - Microsoft Outlook", "Microsoft Word - R2T4 scr...", and "Return of Title IV Fun...". The system clock in the bottom right corner displays "3:32 PM".

3-98

Return of Title IV Funds - [123-45-6789]

File View Help

Name: MOUSE MIDKEY
Last First MI

Permanent Address
Address: 123 MAIN STREET
City, State, Zip: DIGNITY WORLD FL 12345
Phone: (407) 555 5555

Local Address
Address:
City, State, Zip:
Phone:
Social Security Number: 2-34-5678
Date of Birth: / / 85
Driver's License:
Institutional Cross Reference:
Student ID:
Demo: [] [] [] []
Ready: [C:\WINNT\PROFILE\3ALL\USERS\START MENU\PROGRAMS\NEDS\SUITE\RT2 NUM]
Start Inbox - Microsoft Outlook Microsoft Word - RT24 scr Return of Title IV Fun 3:53 PM
3-99

Session Three—Return of Title IV Funds

Return of Title IV Funds

File Record Process View Help

1 2 3 7

STEP 1: Student's Title IV Aid Information

School Calendar: Year: 1999 Withdrawal Type: Grade level: Leave of Absence: ☐

Date Form Completed: Date of the institution's determination that the student withdrew: Period used for calculation (check one): ☐ payment period ☐ period of enrollment

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFEL/Direct Stafford Loan				
Subsidized FFEL/Direct Stafford Loan				
Perkins Loan				
FFEL/Direct PLUS				
A. Total Title IV aid disbursed (NOT aid)			\$0.00	
B. Total of Title IV aid disbursed (NOT aid)			\$0.00	
Step 2: Percentage of Title IV aid			%	

C. Withdrawal date: ☐ ☐ ☐ ☐

☐ If school is not required to take either

For a credit-hour program:

calendar days in _____ divided by _____

that the student was on approved leaves of absence

For a clock-hour program: Determine the clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment: _____ divided by _____ = %

Calculation 1

Calculation 2: Determine the clock hours completed in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew: _____ divided by _____ = %

Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment: _____ divided by _____ = %

OK Cancel

Step 3: divided by the total re AND days

Form: R2T4

Ready: [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\EDSUITE\VR2T NUM]

Start | Inbox - Microsoft Outlook | Microsoft Word - R2T4 scr... | Return of Title IV Fun...

3:37 PM

3-100

Return of Title IV Funds - [12/15/00] MICKY MOUSE 1999 1999 New Record

File Record Process View Help

STEP 1: Student's Title IV Aid Information

School Calendar: 1999 Year: 1999 Withdrawal Type: ☐ Grade level: ☐ Leave of Absence: ☐

Date Form Completed: ☐ Date of the institution's determination that the student withdrew: ☐ Period used for calculation (check one): ☐ payment period ☐ period of enrollment

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFEL/Direct Stafford Loan			Fell Grant		
Subsidized FFEL/Direct Stafford Loan			PSEOQ		
Perkins Loan			Other Title IV programs*		
FFEL/Direct PLUS			* Do not include FWS		

A. Total title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment \$0.00
 B. Total of Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment \$0.00
 Step 2: Percentage of Title IV aid earned %

C. Withdrawal date: ☐ Payment period/period of enrollment start date: ☐ end date: ☐

☐ If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3.

For a credit-hour program: Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence) ☐ divided by ☐

For a clock-hour program: Determine the clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment ☐ divided by ☐ = %

Calculation 1: clock hours in the payment period or period of enrollment ☐ divided by ☐ = %

Calculation 2: Determine the clock hours completed in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew ☐ divided by ☐ = %

Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment ☐ divided by ☐ = %

Demo R2T4 ☐ ☐ Notes ☐ ☐

Ready [Z:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\VEDESUITE\R2T NUM]

Start ☐ Inbox - Microsoft Outlook ☐ Microsoft Word - R2T4 scr... ☐ Return of Title IV Fun...

3:38 PM

3-101

Session Three—Return of Title IV Funds

Return of Title IV Funds - (123-45-6789) MICKLEY MURDER 2000 2000 Record 2 of 21

File Record Process View Help

1 2 3 4

STEP 1: Student's Title IV Aid Information

School Calendar: 2000 Year: 2000 Withdrawal Type: ☐ Grade level: ☐ Leave of Absence: ☐

Profile Code: ☐ Date of the institution's determination that the student withdrew: ☐ Period used for calculation (check one): ☐ payment period ☐ period of enrollment

Data Form Completed: ☐ 15

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFEL/Direct Stafford Loan			Fell Grant		
Subsidized FFEL/Direct Stafford Loan			FSEOG		
Perkins Loan			Other Title IV programs*		
FFEL/Direct PLUS			* Do not include FAMS.		

A. Total title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment \$0.00

B. Total of Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment \$0.00

Step 2: Percentage of Title IV aid earned %

C. Withdrawal date: ☐ / ☐ / ☐ Payment period/period of enrollment start date: ☐ / ☐ / ☐ end date: ☐ / ☐ / ☐

☐ If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3.

For a credit-hour program: Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence) ☐ divided by ☐

For a clock-hour program: Determine the clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment ☐ divided by ☐ = %

Calculation 1: clock hours in the payment period or period of enrollment ☐ divided by ☐ = %

Calculation 2: Determine the clock hours completed in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew ☐ divided by ☐ = %

Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment ☐ divided by ☐ = %

Demo R2T4 Post Withdrawal Notes User Data

Ready: [C:\WINNT\PROFILE\ALL USERS\START MENU\PROGRAMS\NEDS\SUITE\NR2T NUM]

Start In-box - Microsoft Outlook Microsoft Word R2T4 scr Return of Title IV Fun...

3:50 PM

3-102

Return of Title IV Funds - [123456789] MICKLY MOOSE TUFF 1999 New Record

File Record Process View Help

STEP 1: Student's Title IV Aid Information

School Calendar: 1999 Year: 1999 Withdrawal Type: Grade level: Leave of Absence:

Data Form: Date of institution's determination that the student withdrew: 10/25/1999 Period used for calculation (check one): ☒ payment period ☐ period of enrollment

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFEL/Direct Stafford Loan	\$ 1697.50		Fell Grant	\$ 1562.50	
Subsidized FFEL/Direct Stafford Loan	\$ 1940.00		FSEOG		\$ 1000.00
Perkins Loan		\$ 1500.00	Other Title IV programs*	\$ 0.00	\$ 0.00
FFEL/Direct PLUS			* Do not include FWS.		
			Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment: \$5203.00		
			Total of Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment: \$7703.00		
			Step 2: Percentage of Title IV aid earned: 57.6%		

C Withdrawal date: 10/15/1999 Payment period/period of enrollment start date: end date:

If school is not required to take attendance and student withdrew without notification, enter 50% in Box C, and proceed to Step 3.

For a credit-hour program: Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence) divided by = %

For a clock-hour program: Determine the clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment divided by = %

Calculation 1: Determine the clock hours completed in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew divided by = %

Calculation 2: Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment divided by = %

Demo: R2T4

Ready: C:\WINNT\PROFILES\ALL USERS\START MENU\PROG\FAMS\DESUITE\R2T NUM

Start Inbox - Microsoft Outlook Microsoft Word - R2T4 scr... Return of Title IV Fun... 3:40 PM

3-103

Session Three—Return of Title IV Funds

Return of Title IV Funds - 1999-2000 **NEW RECORD**

File Record Process View Help

STEP 1: Student's Title IV Aid Information

School Calendar: 1999 Year: 1999 Withdrawal Type: Grade level: Leave of Absence:

Data Form: 11/01/1999 Date of the institution's determination that the student withdrew: 10/25/1999 Period used for calculation (check one): ☒ payment period ☐ period of enrollment

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFE			\$1562.50	
Subsidized FFE				\$1000.00
Perkins Loan			\$0.00	\$0.00
FFEL/Direct PLUS				
A. Total Title IV aid				\$5200.00
B. Total of Title IV aid				\$7700.00
Step 2: Percent				57.6%
C. Withdrawal date				
☐ If school is not For a credit				
For a clock Calculation				
Calculation				

Other Title IV programs: ☒

Title For Program	Disbursed	Could Have Been Disbursed
PSAG		500

end date: 10/25/1999 and proceed to Step 3.

period of enrollment divided by the total days of 5 days or more AND days

period of enrollment divided by the total

divided by the clock hours scheduled to

Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment

OK Cancel

Demo: R2T4

Ready: [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\NEDESUITE\R2T NUM]

Start | Inbox - Microsoft Outlook | Microsoft Word - R2T4 scri... | Return of Title IV Fun...

3:41 PM

3-104

Return of Title IV Funds - (123-45-6789) MURKLY MOUSE 1999 1999 New Record

File Record Process View Help

STEP 1: Student's Title IV Aid Information

School Calendar: 1998 Year: 1999 Withdrawal Type: Grade level: Leave of Absence:

Data Form Completed: 11/01/1999 Date of the institution's determination that the student withdrew: 10/25/1999 Period used for calculation (check one): ☒ payment period ☐ period of enrollment:

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFEL/Direct Stafford Loan	\$ 1667.50		Fell Grant	\$1562.50	
Subsidized FFEL/Direct Stafford Loan	\$ 1940.00		FSEOG		\$1000.00
Perkins Loan		\$ 1500.00	Other Title IV programs*	\$0.00	\$500.00
FFEL/Direct PLUS			* Do not include FAMS.		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment: \$5203.00

B. Total of Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment: \$8203.00

Step 2: Percentage of Title IV aid earned: 57.6%

C. Withdrawal date: 10/25/1999 Payment period/period of enrollment start date: 08/01/1999 end date: 07/01/1999

☐ If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3.

For a credit-hour program: Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence). $\frac{76}{192} = 39.6\%$

For a clock-hour program: Determine the clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment.

Calculation 1: clock hours in the payment period or period of enrollment $\frac{100}{100} = 100\%$

Calculation 2: Determine the clock hours completed in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew. $\frac{100}{100} = 100\%$

Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment. $\frac{100}{100} = 100\%$

Demo: R2T4

Ready: [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\NEDS\UI\VR2T NUM]

Start [Inbox - Microsoft Outlook] [Microsoft Word - R2T4 scr...] [Return of Title IV Fun...]

3:42 PM

3-105

Session Three—Return of Title IV Funds

Return of Title IV Funds - [0123-45-6789] MICKY MOUSE 1999 1999 Record 1 of 1

File Record Process View Help

1 2 3 4

STEP 3: Amount of Title IV Aid Earned by the

D 57.6% * \$8200.00 = \$4723.20
Box C Box B

STEP 4: Total Title IV Aid to be Disbursed or Returned

E -
Box D Box A

This is the amount of the Post-Withdrawal Disbursement, due J. Stop here and go to the Post-Withdrawal Disbursement Worksheet.

F 0 \$4723.20 = \$476.80
Box A Box D

This is the Amount of Title IV aid that must be returned.

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G Institutional charges for the payment period or period of enrollment 0.00

H Percentage of Title IV aid unearned (100% - box C) 42.4%

I \$8200.00 * 42.4% = \$3731.20
Box G Box H

Compare the amount of Title IV aid unearned (I) to be returned (Box F) to Box I and enter the lesser amount. \$477

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box I) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return
Unsubsidized FFEL/Direct Stafford Loan	\$477.00
Subsidized FFEL/Direct Stafford Loan	
Perkins Loan	
FFEL/Direct PLUS	

	Amount for School to Return
Fell Grant	
PSEO	
Other Title IV programs	

Demo R2T4 Post Withdrawal Notes User Data

Ready [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\DESUITE\R2T NUM]

Start Inbox - Microsoft Outlook Microsoft Word - R2T4 scr... Return of Title IV Fun...

3:43 PM

3-106

Return of Title IV Funds - [123.45 4/09] MICKLY MOUSE 1999 1999 Record 1 of 1

File Record Process View Help

1 2 3 ?

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT
 K \$476.80 - \$477 = \$-
 Box F Box J

STEP 8: Return of Funds by the STUDENT
 The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to return		Initial amount to return x 50%	Amount for Student to return
Unsubsidized FFEL/Direct Stafford Loan*		Pell Grant		
Subsidized FFEL/Direct Stafford Loan*		FSEOG		
Perkins Loan*		Other Title IV programs		
FFEL/Direct PLUS*				

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Demo R2T4 Post Withdrawal Notes User Data

Ready | C:\WINNT\PROFILES\ALL USERS\START\MENU\PROGRAMS\EDS\UNITEN\R2T NUM | 3:43 PM

Start | Inboxes - Microsoft Outlook | Microsoft Word - R2T4 scr... | Return of Title IV Fun...

3-107

Session Three—Return of Title IV Funds

Return of Title IV Funds - [123-45-6789] MICKLY MOUSEL 1999-1999 (Record 1 of 1)

File Record View Help

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet A \$4723.20

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account B

C. Total amount of post-withdrawal disbursement credited to student's account

Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student's contracts with the institution) C

Amount of post-withdrawal disbursement credited for other current charges +

Amount of post-withdrawal disbursement credited for minor prior year charges +

Total Amount Credited to Account C \$

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on D

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent E

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) - amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent F

G. Notification sent to student and/or parent on G

H. ☐ Response received from student/parent on H

☐ Response not received

I. Amount accepted I

J. Accepted funds sent on J

Post-Withdrawal Disbursement Made From

	Amount		Amount
Pell Grant		Subsidized FFEL/Direct Stafford Loan	
FSEOG		Perkins Loan	
Other Title IV programs (grants)*		FFEL/Direct PLUS	
Unsubsidized FFEL/Direct Stafford Loan		Other Title IV programs (loans)*	

Demographic: R2T4 Post-Withdrawal Notes: User Data

Ready: [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\EDS\TITLEVR2T NUM]

Start [Inbox - Microsoft Outlook] [Microsoft Word - R2T4 scr...] [Return of Title IV Fun...] 3:45 PM

3-108

Return of Title IV Funds - [(123-45-6789) MICKLY MOUSE DW 1999 (Record 2 of 2)]

File Record Process View Help

STEP 1: Student's Title IV Aid Information

School Calendar: DW Year: 1999 Withdrawal Type: 1 Grade level: Leave of Absence: ☐

Date Form Completed: 11/1/1999 Date of the institution's determination that the student withdrew: 10/25/1999 Period used for calculation (check one): ☒ payment period ☐ period of enrollment

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Net Amount Disbursed	Net Amount That Could Have Been Disbursed
Unsubsidized FFEL/Direct Stafford Loan	\$ 1697.50		Pell Grant	\$1562.50	
Subsidized FFEL/Direct Stafford Loan	\$ 1940.00		FSEOG		\$1000.00
Perkins Loan		\$ 1500.00	Other Title IV programs*	\$0.00	\$500.00
FFEL/Direct PLUS			* Do not include FWS.		
			Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment: \$5200.00		
			Total of Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment: \$8200.00		
			Step 2: Percentage of Title IV aid earned: 54.1%		

C. Withdrawal date: 10/25/1999 Payment period/period of enrollment start date: end date: 11/1/1999

☐ If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3.

For a credit-hour program: Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that the student was on approved leaves of absence) divided by = 51.9%

For a clock-hour program: Determine the clock hours completed in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment divided by = 51.9%

Calculation 1: clock hours in the payment period or period of enrollment: 35 divided by 70 = 51.9%

Calculation 2: Determine the clock hours completed in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew: 5 divided by 10 = 50.0%

Determine the scheduled clock hours as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment: 10 divided by 18 = 55.6%

Demo: R2T4 Post Withdrawal Notes User Data

Ready: [C:\WINNT\PROFILES\ALL USERS\START MENU\PROGRAMS\EDS\UIE\VR2T NUM]

Start | Inbox - Microsoft Outlook | Microsoft Word - R2T4 scr... | Return of Title IV Fun... 4:01 PM

3-109

Session Three—Return of Title IV Funds

Return of Title IV Funds - [029-154-709] MURLEY M00051 DW 1999 (Screen 1 of 2)

File Record Process View Help

STEP 3: Amount of Title IV Aid Earned by the
D 54.2 x \$8200.00 = \$4436.20
Box C Box B

STEP 4: Total Title IV Aid to be Disbursed or Returned
E =
Box D Box A
This is the amount of the Post-Withdrawal Disbursement, due J. Stop here and go to the Post-Withdrawal Disbursement Worksheet.
F 0 \$4436.20 = \$763.80
Box A Box D
This is the Amount of Title IV aid that must be returned.

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL
G. Institutional charges for the payment period or period of enrollment 7.1111
H. Percentage of Title IV aid unearned (100% - Box C) 45.94
I. \$8200.00 x 45.94% = \$4039.20
Box G Box H
Compare the amount of Title IV aid unearned to be returned (Box F) to Box I and enter the lesser amount: \$764

STEP 6: Return of Funds by the SCHOOL
The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source:

	Amount for School to Return
Unsubsidized FFEL/Direct Stafford Loan	\$764.00
Subsidized FFEL/Direct Stafford Loan	
Perkins Loan	
FFEL/Direct PLUS	

	Amount for School to Return
Fell Grant	
PSEOG	
Other Title IV programs	

Demo R2T4 Post Withdrawal Notes User Data

Ready [C:\WINNT\PROFILE\3ALL\USERS\START\MENU\PRG\FAM\SEDESUITE\R2T\NUM]

Start Inbox - Microsoft Outlook Microsoft Word - R2T4 scr... Return of Title IV Fun...

4:23 PM

3-110

Session 3: Brain Candy



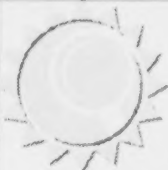
3-111



Session 3: Review

- Requirements become effective October 7, 2000
- Collect basic information in order to do calculation
- Eight steps to calculating Return of Title IV Funds
- Rounding guidelines must be used

3-112



Session 3: Review

- Trigger dates determine various requirements
- School policies must be revised
- Use review exercises, case studies, discussion questions as resources
- Department's Return of Title IV Funds software available in Spring 2000

3-113

Session 3: Questions



3-114

10-Minute Break



3-115



Case Study 3-3: Harry Springer

Calculating the return of Title IV funds for a student who received loans and LEAP funds, and is attending a proprietary school (clock hour)

Learning Objectives

- Calculate ratio of completed clock hours to scheduled clock hours
- Calculate percentage of Title IV aid earned/unearned based on clock hours
- Determine withdrawal date for student who didn't provide notification of intent to withdraw

School Profile

Name:	Quality Tech School (QTS)
School Type:	Proprietary, clock-hour
Academic Year/Program:	900 clock hours over 30 weeks
Period:	450 clock hours over 15 weeks
Period Start Date:	September 7
Period End Date:	December 22
5 Consecutive Day Break:	No
Taking Attendance Required:	Yes
Method for Matching SEOG:	Fund specific
Charges to Student's Account:	
Tuition and Fees	\$1,750.00/15 week period
Room and Board	(non-residential school)
Books and Supplies	\$ 250.00/15 week period
Student Account Balance:	\$ 250.00
Books & Supplies	\$250.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Harry Springer was eligible for the following annual awards:

\$2,000.00	Net Subsidized Stafford Loan
\$1,500.00	Perkins Loan
\$1,000.00	Institutional Awards

His student account was credited with both Stafford and Perkins loan disbursements for the fall period. However, the disbursement of the institutional grant was placed on hold until Harry turns in a required form. Also, Harry did not live on campus but was charged \$250.00 for books, which had to be purchased at Quality Tech's campus store.

Everything seemed to be going very well for Harry—until fall break. Due to personal problems, Harry didn't return to Quality Tech, and he didn't bother to let anyone know that he was dropping out. It wasn't until you called him on November 5—to give him a last chance to turn in the institutional form still needed—that you discovered he hadn't returned after fall break (November 2-4). Upon checking with the director of the program, you verified that Harry had completed 210 of the 250 clock hours scheduled for completion on the last day he attended prior to fall break (November 1).

Using the information provided, complete the worksheet.

Case Study 3-3 Discussion Questions

1. Under what scenario would institutional and/or state awards be used in calculating the return of Title IV funds?
2. Since Harry did not provide notification that he was withdrawing from his clock hour program, how is the withdrawal date determined? And, since the number of clock hours completed is going to be used in the calculation, why do we need Harry's withdrawal date?
3. What constitutes "official notification?"

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or printed text on the paper. A small, faint mark resembling a checkmark or a squiggle is visible near the center-right of the page.



Case Study 3-4: Micki Lake

*Calculating the return of Title IV funds
for a student receiving loans and grants
and attending a proprietary school (clock hours)*

Learning Objectives

- Calculate amount of Title IV aid earned for a student receiving FSEOG
- Calculate percentage of Title IV aid earned for a student who completed 60% of the period
- Review allowable institutional charges

School Profile

Name:	Shenandoah Valley Professional Institute (SVPI)
School Type:	Proprietary, clock hour
Academic Year/Program:	900 clock hours over 30 weeks
Period:	450 clock hours over 15 weeks
Period Start Date:	January 31
Period End Date:	May 12
5 Consecutive Day Break:	No
Taking Attendance Required:	Yes
Method for Matching SEOG:	Aggregate
Charges to Student's Account:	
Tuition and Fees	\$2,250.00/15 week period
Room and Board	(non-residential campus)
Student Account Balance:	\$ 0.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

In an aggressive pursuit of a career in broadcast journalism, Micki Lake enrolled in SVPI's 900 clock-hour program in News and Media. The financial aid she was awarded was enough to cover her tuition costs. But, she needed additional money for living expenses (she needed a make-over and "glamour" shots), so she took out a Stafford loan:

\$3,125.00	Pell Grant
\$ 500.00	SEOG
\$ 500.00	Institutional Awards
\$2,625.00	Subsidized Stafford Loan

On April 4, you received a call from Micki's mother. Due to injuries Micki received in a car accident, her mom asked you to process Micki's withdrawal from SVPI. At this point in the second payment period, her attendance records indicate that her last date of attendance was April 3. She had completed the 280 clock hours scheduled, and her student account had been credited this payment period for all the aid she was awarded:

\$1,562.50	Pell Grant
\$ 250.00	SEOG
\$ 250.00	Institutional Awards
\$1,273.61	Subsidized Stafford Loan

Using the information provided, complete the worksheet.

Case Study 3-4 Discussion Questions

1. If Micki had been required to purchase her books and supplies from SVPI, would the amount of institutional charges change?
2. If, rather than having her mother call your office on April 4, Micki had waited to complete the school's withdrawal process until she was able to come to campus herself on April 21, what would have been both her withdrawal date and the date of the institution's determination that she had withdrawn? And, how would the outcome of the calculation have changed?
3. Let's assume that none of Micki's aid (the same \$3,023.61 consisting of a FFEL loan and Pell and FSEOG grants) had been disbursed prior to her withdrawal and that she was due a post-withdrawal disbursement of \$1,800.00. In what order should the funds be disbursed?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.



Case Study 3-5: O.P. Rawinfreee

Calculating the return of Title IV funds for a student receiving partially-disbursed loans and attending nursing school (clock hours)

Learning Objectives

- Calculate amount of Title IV aid earned when not all Title IV aid that could have been disbursed was disbursed
- Calculate amount of Title IV aid that has to be returned
- Determine the school's deadline for returning the funds

School Profile

Name:	Florence Nightingale School of Nursing (FNSN)
School Type:	Proprietary, clock hour
Academic Year/Program:	2700 clock hours over 2 academic years
Period:	675 clock hours over 15 weeks
Period Start Date:	August 23
Period End Date:	December 10
5 Consecutive Day Break:	No
Taking Attendance Required:	Yes
Method for Matching SEOG:	Aggregate
Charges to Student's Account:	
Tuition and Fees	\$7,000.00/15 week period
Room	\$1,500/15 week period
Board	\$1,100/15 week period
Books and Supplies	\$ 280.00/15 week period
Computer (1 st year students)	\$ 750.00/15 week period
Student Account Balance:	\$4,357.36
Tuition & Fees	\$ 727.36
Room	\$ 1,500.00
Board	\$ 1,100.00
Books & Supplies	\$ 280.00
Computer	\$ 750.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

O.P. Rawinfree enrolled in the program on August 23. She lives on campus and is charged \$2,600.00 per period for room and board. She is required to purchase her books and computer from FNSN. O.P. is so enthusiastic about her new career that she plans to volunteer at a local hospital at the end of the fall period. Her financial aid for the period is:

\$3,500.00	Institutional Awards
\$1,500.00	Perkins Loan
\$1,312.00	Subsidized Stafford Loan
\$2,000.00	Unsubsidized Stafford Loan

O.P. is a model student. She turned in everything needed to complete her financial aid file (including online loan counseling) long before the period began. Five weeks into the period, you discovered that the PLUS Loan her parents applied for through the Mom and Pop Federal Credit Union was denied. After meeting with you to review her options, O.P. submitted an additional loan application for an unsubsidized loan (which was certified on October 20 and will net her \$1,940.00). On October 22, you received a call from O.P. Unfortunately, she fainted that morning while observing a surgical procedure and hurt herself so badly that she had to withdraw to recuperate. Apparently, O.P. had been having problems for some time, since at this point she had completed only 255 of the 405 clock hours scheduled, and her last date of attendance, as taken from attendance records, was October 19. (Remember, although the student's withdrawal date taken from attendance records is October 19, you weren't advised of the withdrawal until October 22, two days after her additional loan was certified.) Her student account has been credited with:

\$3,500.00	Institutional Awards
\$1,500.00	Perkins Loan
\$1,272.64	Subsidized Stafford Loan

Using the information provided, complete the worksheet.

Case Study 3-5 Discussion Questions

1. What happens to the \$1,940.00 unsubsidized loan that had not been disbursed prior to O.P.'s withdrawal?
2. When does the school have to return the funds?
3. Would the calculation change in any way if O.P. had been a second-year rather than a first-year student?

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.



Case Study 3-6: Bill Donahue

Calculating the return of Title IV funds for a student receiving grants and attending a four-year public university (trimesters)

Learning Objectives

- Determine the withdrawal date for a student attending a school that is required to take attendance
- Review the criteria that determine if a school is required to take attendance
- Determine the effect of FWS earnings on the return of Title IV funds calculation

School Profile

Name:	Big State University (BSU)
School Type:	4 year, public, credit hour
Academic Year/Program:	3 trimesters, total of 30 weeks
Period:	10 weeks (68 calendar days)
Period Start Date:	January 10
Period End Date:	March 17
5 Consecutive Day Break:	No
Taking Attendance Required:	Yes
Method for Matching SEOG:	Fund specific
Charges to Student's Account:	
Tuition and Fees	\$ 900.00/10 week trimester
Room	\$ 600.00/10 week trimester
Board	\$ 400.00/10 week trimester
Health Insurance	\$ 300.00/academic year
	(required of all students and remains in effect for the entire period, even if students cease attendance)
Student Account Balance:	\$ 258.34
Health Insurance	\$258.34
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Bill Donahue is a first-year student at BSU majoring in chemistry. Bill is living on campus and spends his free time at his FWS job in the Chemistry Department. His financial aid for the academic year is:

\$3,125.00	Pell Grant
\$2,100.00	SEOG
\$1,800.00	FWS

Bill is not required to purchase his books and supplies from BSU. On February 10 (32 calendar days), you were advised by the Chair of the Chemistry Department that Bill was suspended for the rest of the academic year (it appears that he was spending his FWS hours on his own “special projects” in the Chemistry Lab). Upon checking with his professors, you determined that his last date of class attendance was February 8 (30 calendar days). Prior to this incident, Bill’s student account had been credited for the term with:

\$1,041.67	Pell Grant
\$ 700.00	SEOG
\$ 200.00	FWS

Using the information provided, complete the worksheet.

Case Study 3-6 Discussion Questions

1. The amount of Pell Grant the school is responsible for returning is \$973.59. Can the school round the amount? If so, to what?
2. If BSU's accrediting agency required that attendance be taken only during the first two weeks of the term, would this change how the withdrawal date is determined?
3. Why wasn't the \$200 in FWS wages that had been credited to Bill's student account included in the calculation?

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.



Case Study 3-7: Kelly Jamie Raphael

Calculating the return of Title IV aid for a student attending a two-year community college (quarters) and receiving loans and grant (no aid disbursed)

Learning Objectives

- Complete the return of Title IV funds calculation for a student who is due a post-withdrawal disbursement
- Determine how to make a post-withdrawal disbursement of Title IV funds
- Determine the timeframes and notifications required in making a post-withdrawal disbursement

School Profile

Name:	Most Excellent Community College (MECC)
School Type:	2 year, public, commuter, credit hour
Academic Year/Program:	4 quarters, total of 32 weeks
Period:	8 weeks (58 calendar days)
Period Start Date:	January 31
Period End Date:	March 28
5 Consecutive Day Break:	No
Taking Attendance Required:	No
Method for Matching SEOG:	N/A
Charges to Student's Account:	
Tuition	\$ 75.00 per credit hour
Fees	\$ 75.00 per quarter
Room and Board	(non-residential campus)
Student Account Balance:	\$ 975.00
Tuition & Fees	\$975.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

In the previous academic year, Kelly Jamie Raphael, a single mom with two children, completed a short-term program in automotive maintenance. After working several months in a repair shop, she reconsidered her career path and decided mid-year to enroll in an AA program at MECC. Based on her enrollment of twelve credit hours, her cost for the third quarter of the academic year is \$975.00, and her financial aid package consists of:

\$ 643.75	Pell Grant
\$ 656.00	Subsidized Stafford Loan
\$1,000.00	Unsubsidized Stafford Loan

On February 26, Kelly was advised that her children's daycare center was closing down that very day. Because Kelly wasn't able to find other affordable daycare, she was forced to withdraw from MECC on March 2, and she completed the college's process for withdrawal that same day. At that point (32 calendar days into the term), none of her financial aid had been disbursed. Due to major problems with the financial aid office's "new and improved" commercial software, no disbursements for the term have been made. Kelly is eligible to receive:

\$643.75	Pell Grant
\$636.32	Net Subsidized Stafford Loan (3% origination fee)
\$970.00	Net Unsubsidized Stafford Loan (3% origination fee)

Using the information provided, complete the worksheet.

Case Study 3-7 Discussion Questions

1. Why is Kelly due a disbursement after withdrawing?
2. What is required of the school in making post-withdrawal disbursements?
3. Would calculating the percentage earned change if Kelly had attended a “semester” school rather than a “quarter” school?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Case Study 3-8: Posie O'Connell

Calculating the return of Title IV funds for a student attending a four-year public university (semesters) and receiving loan and grant funds (fully disbursed)

Learning Objectives

- Determine how to calculate the number of calendar days in a payment period when the school has a scheduled break of at least five consecutive calendar days
- Determine the withdrawal date for a student who did not follow the withdrawal process prescribed by the school
- Review allowable institutional charges

School Profile

Name:	Best of the West University (BWU)
School Type:	4 year, public, credit hour
Academic Year/Program:	2 semesters, total of 32 weeks
Period:	16 weeks (115 calendar days)
Period Start Date:	January 10
Period End Date:	May 10
5 Consecutive Day Break:	Yes (no classes scheduled Sat. - Sun.)
Taking Attendance Required:	No
Method for Matching SEOG:	Fund specific
Charges to Student's Account:	
Tuition	\$ 80.00 per credit hour (in-state students) \$ 150.00 per credit hour (out-of-state students)
Fees	\$ 75.00/16 week semester
Room	\$1,400.00/16 week semester
Board	\$1,100.00/16 week semester
Books and Supplies	\$ 400.00 book voucher/semester
Student Account Balance:	\$ 17.50
Books & Supplies	\$ 17.50
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Posie O'Connell is a non-resident senior from Louisiana, who was very disappointed to have to withdraw during her last semester at BWU, particularly since she's doing very well in the twelve credit hours she's taking. She just wasn't able to fully recover from the allergic reaction she got from eating boiled crawfish while home on spring break (March 9 to March 15). To make a bad situation worse, her pickup truck, which she's had since high school, recently died on her. Posie returned to campus the evening of March 15. But, after going to classes on March 16, she decided to pack it in for the semester and return home. That evening (60 calendar days into the semester), Posie checked out of the dorm and asked her residential director to let you know that she's withdrawing. (The Residential Life Office is included among the offices at BWU to which students are to submit notices of withdrawal.) By the time the residential director finally got around to calling you on April 3, Posie had received all of her financial aid disbursements for the semester:

\$1,125.00	Pell Grant
\$2,667.50	Subsidized Stafford Loan
\$1,000.00	BWU Award

Using the information provided, determine Posie's institutional charges and complete the worksheet.

Case Study 3-8 Discussion Questions

1. Why is March 16 (rather than April 3, the date the Residential Director contacted you) used as the withdrawal date?
2. Let's assume that the Financial Aid Office was open during spring break (March 9 through March 15) and that Posie called your office on March 13 to advise that she was withdrawing. That being the case, what would her withdrawal date be?
3. Would the outcome of the calculation change if Posie had remained in the dorm but not continued attending classes?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Case Study 3-9: Joseanne Carr

Calculating the return of Title IV funds for a student attending a four-year private school (semesters) and receiving loans (partially disbursed)

Learning Objectives

- Calculate the return of Title IV funds for a student who is responsible for returning loan funds
- Determine how to handle Title IV funds that were not disbursed prior to the student's withdrawal
- Determine the distinction between the student's withdrawal date and the date the school determined the student withdrew

School Profile

Name:	Elite College of the South (ECS)
School Type:	2 and 4 year private, credit hour
Academic Year/Program:	2 semesters, total of 30 weeks
Period:	15 weeks (105 calendar days)
Period Start Date:	September 9
Period End Date:	December 22
5 Consecutive Day Break:	No
Taking Attendance Required:	Yes
Method for Matching SEOG:	N/A
Charges to Student's Account:	
Tuition and Fees	\$5,500.00/15 week semester
Student Account Balance:	\$ 0.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Upon entering ECS one academic year ago, Joseanne Carr was torn between a four-year program in communications and a two-year program in interior design. After consulting her personal online psychic, she chose the program in interior design and decided to live off campus. Amazingly, the psychic must have gotten Joseanne's reading confused with someone else's, as Joseanne is really struggling in her third semester and has decided that she needs some time away. Although she planned to stop by the Financial Aid Office on October 4 to let those kind folks know that she was withdrawing, she was late for an appointment with her manicurist and didn't have the time. Luckily, by October 14, all of Joseanne's professors had contacted you to advise that she had stopped attending classes. You determined that her last date of attendance was October 1 (23 calendar days into the semester). At that point, her charges for the semester were \$5,500.00, and all of her financial aid, except the unsubsidized loan that was projected to be in on October 17, was disbursed:

\$ 970.00	Subsidized Stafford Loan
\$ 727.50	Unsubsidized Stafford Loan
\$5,335.00	PLUS Loan
\$1,000.00	ECS Award

Using the information provided, complete the worksheet.

1. What would the withdrawal date have been if taking attendance were not required at ECS and you had not discovered Joseanne's withdrawal until the last week of the fall semester?
2. How do Joseanne's parents take care of returning the PLUS loan funds of \$469.38? When all is said and done, how much of the original net disbursement of \$5,335.00 will they still owe?
3. What is the distinction between "withdrawal date" and "date of the institution's determination that the student withdrew" in the return of Title IV funds?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



Case Study 3-10: Ronnie Desmond

Calculating the return of Title IV funds for a student attending a four-year, low-cost private school (semesters) and receiving loans and grants (partially disbursed)

Learning Objectives

- Calculate the return of Title IV funds for a student who is responsible for returning loan and grant funds
- Determine the school's requirements for dealing with a student who owes a grant overpayment
- Review the effect of rescinding a notice of intent to withdraw on determining the student's withdrawal date

School Profile

Name:	Heartland of the Country College (HCC)
School Type:	4 year private, credit hour
Academic Year/Program:	2 semesters, total of 30 weeks
Period:	15 weeks (114 calendar days)
Period Start Date:	January 13
Period End Date:	May 5
5 Consecutive Day Break:	No
Taking Attendance Required:	No
Method for Matching SEOG:	Fund specific
Charges to Student's Account:	
Tuition and Fees	\$ 1,000.00/15 week semester
Room and Board	(non-residential student)
Books and Supplies	\$ 250.00/15 week semester
Student Account Balance:	\$ 0.00
School Authorized to Credit	
Account for Other Charges:	Yes (all charges)

Student Profile

Just recently, Ronnie Desmond and his sister, Mary, ended a short run as hosts of a local radio program. Unsure of what to do with the rest of his life, Ronnie decided to enroll as a first-time freshman at HCC for the spring semester. Along with his tuition and fees, he was charged \$250.00 for books and supplies, which must be purchased from the campus bookstore. Although he had to take out a small student loan for living expenses, he had the full support of his wife. Ronnie did very well—until March 20, when he and Mary got a call from the radio station promising a very lucrative long-term contract and begging them to come back. That same day, Ronnie contacted the Financial Aid Office to advise that he was withdrawing from HCC (at 68 calendar days into the semester) and to find out what to do next. With the exception of the Stafford loan that had just been certified, all of his financial aid for the semester had been disbursed:

\$ 557.75	(Net) Subsidized Stafford Loan
\$1,562.50	Pell Grant
\$1,000.00	FSEOG

Using the information provided, complete the worksheet.

Case Study 3-10 Discussion Questions

1. Had Ronnie's loan been disbursed at the time of withdrawal, would he have had to repay (return) the loan immediately?
2. What happens if Ronnie is unable to repay the portion of the Pell Grant that must be returned?
3. What would the withdrawal date have been if Ronnie had changed his mind and rescinded his notice of withdrawal, and finally decided definitely to withdraw on March 27?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Reauthorization Training Spring 2000 Participant's Guide

Session 4

Master Promissory Note



RESOURCES

1999-2000 Student Aid
Handbook:

FFEL and Direct Loans,
pgs. 13, 18

Code of Federal Regulations: Sections 682.401, 685.402

Higher Education Act: Section 432(m)(1)(D)

Public Law 105-244: Section 427(c)(1)(D)

Department of Education
guidance:

GEN 98-25, GEN 99-8,
GEN 99-9, GEN 99-11,
99-G-319, GEN 99-30,
DLB 99-14, DLB 99-15, DLB 99-16,
DLB 99-19, DLB 99-21, DLB 99-22,
DLB 99-32, DLB 99-34, DLB 99-46
DLB 99-53, DLB 99-57



Session 4: Master Promissory Note

4-1



Session 4: Learning Objectives

At the end of this session, you will know:

- About the MPN generally
- Length of time note is valid
- Terms of the note
- Borrower notification
- Multi-year function

4-2

MPN: Background

- Higher Education Amendments of 1998 authorized MPN
- ED issued guidance in late 1998 and 1999
- Direct Loan schools required to use MPN for 1999-2000
- All schools required to use MPN 2000-2001

4-3

The MPN has been available for loan periods beginning on or after July 1, 1999, and Direct Loan schools were required to use it during the 1999-2000 award year. Schools participating in the FFEL program were able to use it as well, but were not required to do so. The MPN form must be used for all Federal Stafford Loans beginning with the 2000-2001 academic year (for loan periods beginning on or after July 1, 2000 and for any loan certified on or after July 1, 2000, regardless of loan period).

Using the MPN

- Initially, multi-year lending available at all four-year and graduate/professional schools
 - ED will have discretion to include or exclude schools
- Eligible schools can choose whether to participate
- Participating schools can require some or all students to sign new note each year

4-4

Four-year and graduate/professional schools are generally eligible to participate in multi-year lending if they are not subject to a proposed or final limitation, suspension, or termination or emergency action.

Using the MPN

- MPN expires upon the earliest of:
 - The date the lender or school receives written notification asking that the MPN no longer be used
 - After twelve months if no disbursements were ever made
 - After ten years (remaining disbursements can be made)

4-5

Using the MPN

- Same MPN used when school or guarantor changes
- Change in lender requires new MPN unless lender changes because of merger or acquisition

4-6

Students may borrow additional funds under the same MPN regardless of any changes in school or, under the FFEL program, a change in guarantor, providing that the new school is a multi-year eligible institution and the lender and/or school are participating in multi-year lending. A change in lender will require a new MPN, unless the lender changes as a result of a merger or acquisition. Also, if a student changes schools, and goes from the Direct Loan Program to the FFEL Program (or vice versa) as a result, he or she will be required to complete a new MPN, as a change in lender has occurred.

Using the MPN

- Student is in control of borrowing by:
 - Filling out MPN
 - Participating in active or passive confirmation process

4-7

The Master Promissory Notes and their accompanying material can be found in Appendix A.

MPN Features

- Borrower certifications and authorizations moved to the front of form
- All school certification information, including the amount of the loan(s), removed from promissory note
- Print specifications simplified and improved

4-8

Using the MPN

- Instructions
- Note
- Borrower's Rights and Responsibilities Statement
- Confirmation process (active or passive)
- Plain Language Disclosure

4-9

Active Confirmation is a process whereby action is taken by the borrower to confirm the proposed loan type or types and the proposed amount of the loan or loans to request a specific loan amount. A school or lender may elect to establish an active confirmation process for the entire loan or may elect to require the student to confirm each disbursement of the loan.

Passive Confirmation is a process whereby the school, lender, and/or guarantor notifies the borrower of the proposed loan package and the borrower is only required to take action if he or she wants to reject or make adjustments to the types and/or amounts of the loans.

The MPN Process--An Overview

- New process will streamline delivery of funds
- Seven general steps
- Steps may vary slightly between programs

4-10

The MPN Process—An Overview

The MPN streamlines the delivery of loan funds for both students and aid administrators. Although specific process likely will vary by institution and will be a bit different for the FFEL and Direct Loan Programs, the general process flows through the following steps, which are applicable to both loan programs.

Step 1

The student fills out the FAFSA (or a Renewal FAFSA).

Step 2

The school determines the student's eligibility for federal student loans and packages the loan(s) requested. This step must be completed annually (assuming the student applies for aid annually).

Step 3

The student completes the Master Promissory Note (MPN) for the initial loan. Thereafter, a borrower attending an institution authorized to use multi-year lending does not need to complete a new MPN for subsequent loans, although the borrower must participate in the school's confirmation process.

Step 4

For FFEL loans, the school certifies the student's loan eligibility and notifies the lender or guaranty agency. For Direct Loans, the school originates the loan.

Step 5

In the FFEL Program, the loan is approved by the lender and guaranteed by a guaranty agency. In the Direct Loan Program, the school submits an origination record to the LOC.

Step 6

Loan proceeds are delivered/dispensed to the borrower.

Step 7

Either at or prior to the first disbursement, the borrower is provided with a disclosure statement. This statement includes specific information about loan type(s), loan amount(s), anticipated disbursement date(s), and instructions on how to cancel the loan(s). In the FFEL program, the disclosure statement is provided by the lender or guarantor. In the Direct Loan Program, the disclosure statement comes from either the school or the LOC.

4-11

Using an MPN for a first-time freshman, student loan borrower enrolled at a public, 4-year institution that participates in FFELP

1. We've noted that how multi-year lending is going to be handled needs to be considered in developing HCC's processes. But, there are many other issues to consider. In an effort to keep the student borrower informed, the Department requires the use of a specific process. What is it and who must be involved in the process?

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Using an MPN for a repeat borrower attending a 2-year community college

Kelly, a single mom with two children, is pursuing an AA degree. In the previous academic year, Kelly completed a short-term program in automotive maintenance and received a student loan under the “old” promissory note. Knowing she will need some loan assistance to survive over the next two years, she’s contacted the financial aid office about taking out a student loan.

1. Is MECC eligible to use the multi-year feature of the MPN? As a student loan borrower, what does this mean to Kelly?
2. If Kelly decides to move on to a four-year school after completing her AA degree and her new school uses the same lender she had at MECC, can she use the last MPN she borrowed against while attending MECC?

164



Case Study 4-3: Joseanne Carr

Using an MPN for a former Direct Loan borrower transferring to a 4-year private school that participates in FFELP

Joseanne Carr has been going from one school to another. Now, she is attending Elite College of the South (ECS), a private four-year school that participates in FFELP. Joseanne knows that private schools can be costly and that she doesn't qualify for need-based and merit aid. So, she is resigned to having to take out a student loan in order to attend ECS, although she very much dreads having to apply for a student loan.

The four-year public school Joseanne attended most recently, Prestigious Midstate University (PMU), is a Direct Loan school that implemented use of the MPN for the 1999-2000 academic year and is eligible to use the MPN's multi-year feature. During the fall semester, Joseanne had the scare of her life (an inheritance she was expecting was delayed) and thought she was going to have to take out a student loan to pay for her expenses. She went to PMU's financial aid office, asked for a student loan, and even signed the MPN. But, before the loan was disbursed, her inheritance came through and she asked that the loan be cancelled.

1. If Joseanne had stayed put at PMU, and if she needed to borrow at some point in the future, would she have been able to use the original MPN she signed?
2. When does the multi-year feature of the MPN expire?
3. Because Joseanne transferred to ECS from PMU before the MPN she signed at PMU expired, does she have to sign a new MPN to borrow at ECS?



Case Study 4-4: Renaldo DeVera

*Using an MPN for a graduate student
who borrowed under the Direct Loan program
as an undergraduate student*

Renaldo DeVera recently enrolled in an evening law program at New York Community School of Law (NYCSL). Renaldo completed his undergraduate degree in communications at a four-year Direct Loan school that was eligible to use the multi-year feature of the MPN.

During his last semester at his alma mater, Renaldo took out a student loan using an MPN. He knows he will have to borrow to attend NYCSL over the next few years.

1. Can Renaldo borrow at NYCSL based on the MPN he signed at his undergrad school?
2. Let's assume that NYCSL is a Direct Loan school and does use the multi-year feature of the MPN. Renaldo heard a rumor that only students who attend night school are required to sign a new MPN each academic year; students who attend during the day do not. Can NYCSL have such a policy?



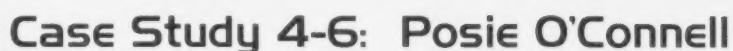
Case Study 4-5: O.P. Rawinfree

Using an MPN for a first-time freshman, student loan borrower, attending a 2-year nursing school

A first-year nursing student, O.P. Rawinfree is enrolled at the prestigious Florence Nightingale School of Nursing (FNSN), a clock-hour school whose nursing program takes two academic years to complete. FNSN participates in FFELP and has not been authorized to use the multi-year feature of the MPN.

Before applying to FNSN, O.P. and her parents determined that she could afford to attend only if both she and her father take out loans each academic year. Let's assume that O.P. has financial need and that she receives a Subsidized Stafford Loan for both academic years of her program.

1. Will O.P.'s father need to sign a note for each of the two PLUS loans he anticipates having to take out?
2. Are the regulations concerning the MPN the same for clock-hour and credit-hour schools? For term-based and non-term based programs?
3. Will O.P. have to sign another MPN for year two?
4. O.P.'s best friend, Graham, transferred from another nursing school that participated in the FFEL Program so that they could attend together. Graham signed an MPN at his previous school, which used the multi-year feature, and he is going to keep the same lender at FNSN. Will he have to sign a new MPN?
5. Let's say, for the sake of argument, that FNSN is authorized to use the multi-year feature of the MPN. In that case, would Graham have to sign a new MPN at FNSN?



1. Is BWU out of compliance by having different policies in the use of the MPN for new and returning students?
2. Because BWU doesn't use the multi-year feature of the MPN for returning students, must Posie sign an additional MPN when she requests the additional \$1,000.00 loan at mid year?

171

Session 4: Brain Candy



4-12



Session 4: Review

In Session 4, we talked about:

- The length of time for which an MPN is valid
- Terms of the Note
- The multi-year function of the MPN
- Other elements of the MPN
- Forms, instructions and other statements important to the borrower
- The confirmation processes (active and passive)

4-13

4-14

WORKSHEET FOR QUESTION 28

DO NOT SUBMIT THIS WORKSHEET. KEEP IT FOR YOUR RECORDS.

If you did not know how to fill out question 28 on the 2000-2001 FAFSA, this worksheet will help you determine your answer. If you answered "3" to question 28, this worksheet provides information about acceptable drug rehab programs. You must answer question 28 to receive federal student aid.

You can have only one answer. Do not count convictions for which you were treated as a juvenile or which have been removed from your record. If you have been convicted of both possessing and selling illegal drugs do not use this worksheet. Please call 1-800-4FED-AID for assistance in completing question 28.

"1" Means you may be eligible to receive federal student financial aid for the 2000-2001 award year.

"2" Means you may become eligible for federal student financial aid during the 2000-2001 award year. You may become eligible earlier in the award year by completing an acceptable drug rehabilitation program.

"3" Means you are not eligible for federal student financial aid for the 2000-2001 award year unless you complete an acceptable drug rehabilitation program.

*Note: An acceptable drug rehabilitation program must include at least 2 unannounced drug tests; **and***

- be qualified to receive funds from a federal, state or local government or from a federally- or state-licensed insurance company; **or***
- be administered or recognized by a federal, state or local government agency or court, or a federally- or state-licensed hospital, health clinic or medical doctor.*

Your answer for question 28 is "1" if you have:

1

- never been convicted for possessing or selling illegal drugs; **or**
- completed an acceptable drug rehabilitation program since your last conviction; **or**
- had all convictions for selling or possessing illegal drugs removed from your record; **or**
- been treated as a juvenile for all convictions; **or**
- no more than one conviction, before July 1, 1998, for selling illegal drugs; **or**
- no more than one conviction, before July 1, 1999, for possessing illegal drugs; **or**
- no more than two convictions, before July 1, 1998, for possessing illegal drugs.

If you can answer "1", correct question 28 in Part 2 of your SAR, sign your SAR, and submit it to the address shown. You do not need to answer any other questions on this page.

Your answer for question 28 is "2" if any of the following apply to you. This information pertains to the date of your most recent conviction(s).

2

• Possession of Illegal Drugs:

Only one conviction: Did your conviction occur on or after July 1, 1999 and on or before June 30, 2000?
(You may become eligible one year from the conviction date.)

Only two convictions: Did your second conviction occur on or after July 1, 1998 and on or before June 30, 1999?
(You may become eligible two years from the second conviction date.)

• Sale of Illegal Drugs

Only one conviction: Did your conviction occur on or after July 1, 1998 and on or before June 30, 1999?
(You may become eligible two years from the conviction date.)

If you can answer "2", correct question 28 in Part 2 of your SAR, sign your SAR, and submit it to the address shown. You do not need to answer any other questions on this page.

Your answer for question 28 is "3" if any of the following apply:

3

- You have more than 2 convictions for possessing illegal drugs
- You have more than 1 conviction for selling illegal drugs
- You have 1 or 2 convictions for possessing illegal drugs, or you have 1 conviction for selling illegal drugs, but the date(s) of your conviction does not fall within the ranges described for "1" or "2".

If necessary, you should correct question 28 in Part 2 of your SAR, sign your SAR, and submit it to the address shown. You do not need to correct your SAR if your answer to question 28 is already "3."

If you become eligible for federal student financial aid by completing an acceptable drug rehabilitation program or your eligibility date arrives, you should contact your school's financial aid office. If you are convicted of possessing or selling drugs after you submit your FAFSA, you must notify your financial aid administrator immediately. You will lose eligibility and be required to pay back all aid received after your conviction. You can call 1-800-4FED-AID if you have any questions.

2000-2001 SAR - 12/99

WORKSHEET FOR QUESTION 28

DO NOT SUBMIT THIS WORKSHEET. KEEP IT FOR YOUR RECORDS. You should complete and submit your FAFSA even if you are not eligible for federal student aid. You may be eligible for financial aid from other sources.

This worksheet helps you determine whether you answer question 28 on the FAFSA with a **1, 2, or 3**. **You can have only one answer.** Do not count convictions for which you were treated as a juvenile or which have been removed from your record. If you have been convicted of both possessing and selling illegal drugs do not use this worksheet. Please call 1-800-4FED AID for assistance in completing question 28 on the FAFSA.

"1" Means you may be eligible to receive federal student financial aid for the 2000-2001 award year.

"2" Means you may become eligible for federal student financial aid during the 2000-2001 award year. You may become eligible earlier in the award year by completing an acceptable drug rehabilitation program.

"3" Means you are not eligible for federal student financial aid for the 2000-2001 award year unless you complete an acceptable drug rehabilitation program.

Note: An acceptable drug rehabilitation program must include at least 2 unannounced drug tests, and

- be qualified to receive funds from a federal, state or local government or from a federally- or state-licensed insurance company; or*
- be administered or recognized by a federal, state or local government agency or court, or a federally- or state-licensed hospital, health clinic or medical doctor*

Enter "1" for question 28 on the FAFSA if you have:

1

- never been convicted for possessing or selling illegal drugs; **or**
- completed an acceptable drug rehabilitation program since your last conviction; **or**
- had all convictions for selling or possessing illegal drugs removed from your record; **or**
- been treated as a juvenile for all convictions; **or**
- no more than one conviction, before July 1, 1998, for selling illegal drugs; **or**
- no more than one conviction, before July 1, 1999, for possessing illegal drugs; **or**
- no more than two convictions, before July 1, 1998, for possessing illegal drugs.

If you enter "1" for question 28 on the FAFSA, you do not need to answer any other questions on this page.

Enter "2" if any of the following apply to you. This information pertains to the date of your most recent conviction(s).

2

• Possession of Illegal Drugs:

Only one conviction: Did your conviction occur on or after July 1, 1999 and on or before June 30, 2000?
(You may become eligible one year from the conviction date.)

Only two convictions: Did your second conviction occur on or after July 1, 1998 and on or before June 30, 1999?
(You may become eligible two years from the second conviction date.)

• Sale of Illegal Drugs:

Only one conviction: Did your conviction occur on or after July 1, 1998 and on or before June 30, 1999?
(You may become eligible two years from the conviction date.)

If you enter "2" for question 28 on the FAFSA, you do not need to answer any other questions on this page.

Enter "3" for question 28 on the FAFSA if any of the following apply:

3

- You have more than 2 convictions for possessing illegal drugs
- You have more than 1 conviction for selling illegal drugs
- You have 1 or 2 convictions for possessing illegal drugs, or you have 1 conviction for selling illegal drugs, but the date(s) of your conviction does not fall within the ranges described for "1" or "2".

If you become eligible for federal student financial aid by completing an acceptable drug rehabilitation program or your eligibility date arrives, you should contact your school's financial aid office. If you are convicted of possessing or selling drugs after you submit your FAFSA, you must notify your financial aid administrator immediately. You will lose eligibility and be required to pay back all aid received after conviction. You can call 1-800-4FED-AID if you have any questions.

12/99



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name _____ Social Security Number _____

Date Form Completed ____/____/____ Date of the institution's determination that the student withdrew ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	_____	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	_____	_____
3. Perkins Loan	_____	_____	_____	_____
4. FFEL/Direct PLUS	_____	_____	_____	_____
5. Pell Grant	_____	_____	_____	_____
6. FSEOG	_____	_____	_____	_____
7. Other Title IV programs*	_____	_____	_____	_____

*Do not include PWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment _____

A \$ _____

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment _____

B \$ _____

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date ____/____/____ Payment period/period of enrollment start date ____/____/____ end date ____/____/____

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\text{completed days}}{\text{total days}} = \text{_____} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C _____ %

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\text{Box C}}{\%} \times \text{Box B} = \text{D } \$ \text{_____}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\text{Box D} - \text{Box A} = \text{E } \$ \text{_____}$$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\text{Box A} - \text{Box D} = \text{F } \$ \text{_____}$$

Student's Name _____ Social Security Number _____

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees _____ Board _____ Other _____
 Room _____ Other _____ Other _____
 Total Institutional Charges **G** \$ _____

H. Percentage of Title IV aid unearned (100% - Box C) **H** _____ %

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

_____ X _____ % = **I** \$ _____
 Box G Box H

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** \$ _____

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	_____	5. Pell Grant	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	6. FSEOG	_____
3. Perkins Loan	_____	7. Other Title IV programs	_____
4. FFEL/Direct PLUS	_____		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

_____ - _____ = **K** \$ _____
 Box F Box J

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	_____	5. Pell Grant	_____	x 50% =	_____
2. Subsidized FFEL/Direct Stafford Loan*	_____	6. FSEOG	_____	x 50% =	_____
3. Perkins Loan*	_____	7. Other Title IV programs	_____		_____
4. FFEL/Direct PLUS*	_____			(x 50% for grant funds)	

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name _____

Social Security Number _____

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet

A \$ _____

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account

B \$ _____

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ _____
- Amount of post-withdrawal disbursement credited for other current charges + \$ _____
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ _____

Total Amount Credited to Account

C \$ _____

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on ____/____/____

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent ____/____/____

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent

F \$ _____

G. Notification sent to student and/or parent on ____/____/____

H. ☐ Response received from student/parent on ____/____/____

☐ Response not received

I. Amount accepted

I \$ _____

J. Accepted funds sent on ____/____/____

Post-Withdrawal Disbursement Made From

Pell Grant _____

Subsidized FFEL/Direct Stafford Loan _____

FSEOG _____

Unsubsidized FFEL/Direct Stafford Loan _____

Other Title IV programs (grants) _____

Perkins Loan _____

FFEL/Direct PLUS _____

Other Title IV programs (loans) _____



Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name _____ Social Security Number _____

Date Form Completed ____/____/____ Date of the institution's determination that the student withdrew ____/____/____

Period used for calculation (check one) ☐ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	_____	_____	_____	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	_____	_____	_____
3. Perkins Loan	_____	_____	_____	_____
4. FFEL/Direct PLUS	_____	_____	_____	_____
5. Pell Grant	_____	_____	_____	_____
6. FSEOG	_____	_____	_____	_____
7. Other Title IV programs*	_____	_____	_____	_____

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment _____

A

\$

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment _____

B

\$

STEP 2: Percentage of Title IV Aid Earned

E. • Withdrawal date ____/____/____

• Percentage of payment period or period enrollment completed _____

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\text{completed hours}}{\text{total hours}} = \text{_____ \%}$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\text{completed hours}}{\text{scheduled to complete}} = \text{_____ \%}$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\text{scheduled to complete}}{\text{total hours}} = \text{_____ \%}$$

*Excused absences do NOT count as completed hours.

C

%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\text{Box C}}{\text{Box B}} \times \text{Box B} = \text{_____}$$

D

\$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. If the amounts in Boxes A and D are equal, STOP. No further action is necessary.

Student's Name _____ Social Security Number _____

Step 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. Post-withdrawal disbursement. Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

	-		=	
Box D		Box A		E \$.

F. Title IV aid to be returned. Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

	-		=	
Box A		Box D		F \$.

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees _____	Board _____	Other _____	
Room _____	Other _____	Other _____	
Total Institutional Charges			
			G \$.

H. Percentage of Title IV aid unearned (100% - Box C)		H %
--	--	------------

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

	X		=	
Box G		Box H		I \$.

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount.		J \$.
---	--	---------------

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	_____	5. Pell Grant	_____
2. Subsidized FFEL/Direct Stafford Loan	_____	6. FSEOG	_____
3. Perkins Loan	_____	7. Other Title IV programs	_____
4. FFEL/Direct PLUS	_____		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

	-		=	
Box F		Box J		K \$.

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	_____	5. Pell Grant	_____	x 50% =	_____
2. Subsidized FFEL/Direct Stafford Loan*	_____	6. FSEOG	_____	x 50% =	_____
3. Perkins Loan*	_____	7. Other Title IV programs	_____		_____
4. FFEL/Direct PLUS*	_____	(x 50% for grant funds)			

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name _____

Social Security Number _____

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet

A \$ _____

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account

B \$ _____

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ _____
- Amount of post-withdrawal disbursement credited for other current charges + \$ _____
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ _____

Total Amount Credited to Account

C \$ _____

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on _____

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent _____

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent

F \$ _____

G. Notification sent to student and/or parent on _____

H. ☐ Response received from student/parent on _____

☐ Response not received

I. Amount accepted

I \$ _____

J. Accepted funds sent on _____

Post-Withdrawal Disbursement Made From

Pell Grant _____ Subsidized FFEL/Direct Stafford Loan _____

FSEOG _____ Unsubsidized FFEL/Direct Stafford Loan _____

Other Title IV programs (grants) _____ Perkins Loan _____

FFEL/Direct PLUS _____

Other Title IV programs (loans) _____

Federal Family Education Loan Program (FFELP)**Federal Stafford Loan
Master Promissory Note**

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor, Program, or Lender Identification

OMB No. 1845-0006
Form approved
Exp. date 6-31-2002**Borrower Information***Please print neatly or type. Read the instructions carefully.*

1. Last Name	First Name	MI	2. Social Security Number
3. Permanent Street Address (if P.O. Box, see instructions)			4. Home Telephone Number ()
5. Date of Birth (Month/Day/Year)			6. Driver's License State and Number State #
City	State	Zip Code	7. E-mail Address (Optional)
8. Lender Name	City	State	Zip Code
9. Lender Code, if known			
10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent (if living) or legal guardian. Both references must be completed in full.			
Name		A. _____ B. _____	
Permanent Address		_____	
City, State, Zip Code		_____	
Area Code/Telephone		() _____	
Relationship to Borrower		_____	
11. Requested Loan Amount: I request a total amount of subsidized and unsubsidized loans under this Master Promissory Note not to exceed the allowable maximums under the Higher Education Act. My school will notify me of the type(s) and amount(s) of loan(s) that I am eligible to receive. I may decline a loan or request a lower amount by contacting my lender or school. Additional information about my right to cancel or reduce my loan is included in the Borrower's Rights and Responsibilities Statement and Disclosure Statements that have been or will be provided to me.			
12. Interest Payments (Optional) ☐ I want to pay unsubsidized interest while I am in school.			

Borrower Certifications and Authorizations*Read carefully before signing below.*

13. I declare under penalty of perjury that the following is true and correct:
- A. I certify that the information I have provided on this Master Promissory Note and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
 - B. I certify that I will immediately repay any loan proceeds that cannot be attributed to educational expenses for attendance on at least a half-time basis at the school that certified my loan eligibility.
 - C. I certify that I do not now owe a refund on a Federal Pell Grant, Supplemental Educational Opportunity Grant, or a Leveraging Educational Assistance Partnership Grant (formerly State Student Incentive Grant) and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program ("FFELP" as defined in the Borrower's Rights and Responsibilities statement), or I have made satisfactory payment arrangements on the defaulted loans.
14. For all subsidized and unsubsidized Federal Stafford Loans (as described in the additional Note provisions and the Rights and Responsibilities statement) I receive under this Master Promissory Note, and for certain other loans as described below, I make the following authorizations:
- A. I authorize my school to certify my eligibility for loans under this Master Promissory Note.
 - B. I authorize my school to transfer loan proceeds received by electronic funds transfer (EFT) or master check to my student account.
 - C. I authorize my school to pay to the lender any refund that may be due up to the full amount of the loans.
 - D. I authorize the lender, the guarantor, or their agents, to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.
 - E. I request and authorize my lender to: (i) during the in-school and grace periods of any loans made under this Note, defer and align the repayment of principal on all of my FFELP loans that are in repayment status; and (ii) add unpaid interest that accrues on all my FFELP loans to the principal balance of such loans ("capitalization") including such loans made under this Note, during forbearance periods, and for unsubsidized loans, during in-school, grace, and deferment periods as provided under the Act. "Capitalization" will increase the principal balance on my loans and the total amount of interest cost I incur.
 - F. I authorize the release of information pertinent to my loans: (i) by the school, the lender, and the guarantor, or their agents, to the references on the applicable loans and to members of my immediate family unless I submit written directions otherwise; and, (ii) by and among my schools, lenders, guarantors, the Department of Education, and their agents.
 - G. So that the loans requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to the school, the lender and to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

Promise to Pay *In this Note, "lender" refers to, and this Note benefits, the original lender and its successors and assigns, including any subsequent holder of this Note.*

15. I promise to pay to the order of the lender all sums disbursed (hereafter "loan" or "loans") under the terms of this Master Promissory Note (hereafter "Note"), plus interest and other charges and fees that may become due as provided in this Note. **I understand that multiple loans may be made to me under this Note.** I understand that by accepting any disbursements issued at any time under this Note, I accept the obligation to repay the loans. I understand I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. Unless I make interest payments, interest that accrues on my unsubsidized loans during in-school, grace, and deferment periods will be added as provided under the Act to the principal balance of such loans. If I fail to make any payment on any loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this Note before reading the entire Note, even if otherwise advised. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Certifications and Authorizations printed above, the Notice Applicable to Subsequent Loans Made Under This Note, and the Borrower's Rights and Responsibilities statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE, AND THAT I MUST REPAY SUCH LOAN(S).

16. Borrower's Signature

17. Today's Date (Month/Day/Year)

Additional Note provisions follow

Master Promissory Note (continued)

Disclosure of Loan Terms

This Note applies to both subsidized and unsubsidized Federal Stafford Loans described in the interest section below. I agree that the lender may sell or assign this Note and/or my loans and acknowledge that any loan may be assigned independently of any other loan to which this Note applies. I agree that each loan is separately enforceable based on a true and exact copy of this Note. Loans disbursed under this Note are subject to the annual and aggregate loan limits specified in the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, et seq., and applicable U.S. Department of Education regulations (collectively referred to as the "Act"). Under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued (unless I reduce or cancel any disbursements as provided below).

My lender will determine whether to make any loan under this Note after my loan eligibility is determined by the school where I am enrolled on at least a half-time basis. At or before the time of the first disbursement for each loan, a disclosure statement will be issued to me identifying the amount of the loan and additional terms of the loan. Important additional information is also disclosed in the Borrower's Rights and Responsibilities statement accompanying this Note. The Borrower's Rights and Responsibilities statement and any disclosure statement I receive in connection with any loan under this Note are hereby incorporated into this Note.

I may request additional loan funds for my educational costs (up to the annual and aggregate loan limits). If my school determines that I am eligible for any additional or adjusted loan amount, my school may certify such amount. My eligibility for subsidized and/or unsubsidized loans may change based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of any changes or additions to my subsidized and/or unsubsidized loans in a separate disclosure statement.

Loan Cancellation

I may pay back all or a portion of a disbursement within time frames set by the Act and identified in the Borrower's Rights and Responsibilities statement or other disclosure statement I receive at or before disbursement. In such case, the origination fee and guarantee fee will be reduced or eliminated in proportion to the amount of the disbursement returned. I will not incur interest charges if I return the full loan amount as provided in the Act.

Interest

Unless my lender notifies me in writing of a lower rate(s), the rate(s) of interest for my loans are those specified in the Act. Rate information is presented in the Borrower's Rights and Responsibilities statement accompanying this Note and in a disclosure that is issued to me.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the loan is paid in full. I agree to pay all interest charges on my subsidized Federal Stafford Loans except interest payable by the federal government under the Act. I agree to pay all interest charges on my unsubsidized Federal Stafford Loans. If I fail to make required payments of interest before the beginning or resumption of principal repayment, or during a period of deferment or forbearance, I agree that the lender may capitalize such interest as provided under the Act. There is no federal interest subsidy on unsubsidized loans, so the total amount of interest I am required to repay on unsubsidized loans will be higher than on subsidized loans.

Origination Fee and Guarantee Fee

For each subsidized and unsubsidized loan, the federal government charges an origination fee equal to the amount required by the Act. The guaranty agency(ies) that guarantee(s) my loans (in each case, the "guarantor") may charge a per loan guarantee fee not to exceed a maximum amount specified in the Act. I will pay these fees, as

identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loans. I understand the origination and guarantee fees may be refundable only to the extent permitted by the Act.

Late Charges and Collection Costs

The lender may collect from me: (i) a late charge for each late installment payment if I fail to make any part of a required installment payment within 15 days after it becomes due, and (ii) any other charges and fees that are permitted by the Act for the collection of my loans. If I default on any loans, I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

Repayment

I am obligated to repay the full amount of the loans made under this Note and interest accrued thereon. Federal Stafford Loans have a repayment grace period, which will be disclosed in my disclosure statement. I will repay the principal of my loans in periodic installments during repayment periods that begin on the day immediately following the end of the applicable grace period. Payments submitted by me or on my behalf (exclusive of refunds) may be applied first to charges and collection costs that are due, then to accrued interest that has not been capitalized, and finally to the principal amount.

I understand that the school's certification of my loan eligibility determines whether my loans must be repaid as subsidized and/or unsubsidized loans.

The lender will provide me with a repayment schedule that identifies my payment amounts and due dates. Except as otherwise provided in the Act, the minimum annual payment required on all my FFELP loans is \$600 or the amount of interest due and payable, whichever is larger. My lender must provide me with a choice of repayment plans consistent with the provisions of the Act.

If I am unable to make my scheduled loan payments, the lender may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance. I agree that the lender may align payment dates on my loans or grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the lender will determine how to apply the prepayment in accordance with the Act. Upon repayment in full of each loan under this Note, I agree to accept written notification of such loan payoff in place of receiving the original Note.

Acceleration and Default

At the option of the lender, the entire unpaid balance of the applicable loans shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as at least a half-time student at the school that certified my loan eligibility; (ii) I fail to use the proceeds of the loans solely for educational expenses; (iii) I make a false representation(s) that results in my receiving any loans for which I am not eligible; or (iv) I default on the loans.

The following events shall constitute a default on my loans: (i) I fail to pay the entire unpaid balance of the applicable loans after the lender has exercised its option under items (i), (ii), or (iii) in the preceding paragraph; (ii) I fail to make installment payments when due, provided my failure has persisted for at least 270 days for payments due monthly; or (iii) I fail to comply with other terms of the loans, and the lender or guarantor reasonably concludes I no longer intend to honor my repayment obligation. If I default, the guarantor may purchase my loans and capitalize all then-outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, the default will be reported to all national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities statement. Following default, the loans may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), other applicable federal statutes and regulations, and the guarantor's policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

If a particular loan under this Note is made by the school, or if the proceeds of a particular loan made under this Note are used to pay tuition and charges of a for-profit school that refers loan applicants to the lender, or that is affiliated with the lender by common control, contract, or business arrangement, any lender holding such loan is subject to all claims and defenses that I could assert against the school with respect to such loan. My recovery under this provision shall not exceed the amount I paid on such loan.

If I reside in the state in which the principal office of the guarantor is located, the guarantor may sue to enforce the applicable loans in the county in which the guarantor's office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the suit, the guarantor will either have the court transfer the suit to the county in which I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address the lender has for me. I will immediately notify the lender of change of address or status as specified in the Borrower's Rights and Responsibilities statement. Failure by the lender to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the lender. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Notice Applicable to Subsequent Loans Made Under This Note

This Master Promissory Note authorizes the lender to disburse multiple loans during the multi-year term of this Note upon my request and upon the school's certification of my loan eligibility.

Additional loans may be made under this Note for the same or subsequent periods of enrollment only at four-year or graduate schools, or other schools, as designated by the Secretary of the U.S. Department of Education. I agree that no subsequent loans will be made under this Note after the earliest of the following dates: (i) the date my lender receives my written notice that no further loans may be disbursed under the Note; (ii) one year after the date of my signature on this Note if no disbursement is made during such twelve month period; or (iii) ten years after the date of my signature on this Note.

Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Master Promissory Note.

Federal Family Education Loan Program (FFELP) Federal Stafford Loan Master Promissory Note Instructions and Notices

Guarantor, Program, or Lender Identification

Instructions for Completing Promissory Note

This is a Master Promissory Note under which you may receive multiple subsidized and unsubsidized Federal Stafford Loans over a maximum ten year period. Except for interest charges the federal government pays on your behalf on subsidized Federal Stafford Loans while you are in school and during your grace and deferment periods, you are responsible for paying interest on the principal amount of your loans from the date of disbursement until the loans are paid in full.

Use a dark ink ball point pen or type writer. Do not complete this form in pencil. If an item has been completed for you and any part of it is incorrect, cross out the incorrect information and print the correct information. Incorrect, incomplete, or illegible information may cause your loan to be delayed.

Item 1: Enter your last name, then your first name and middle initial.

Item 2: Enter your nine-digit Social Security Number. If this item has been completed for you, review it for correctness. If it is incorrect, cross out the entire incorrect number and print the entire correct Social Security Number in this box. Your loan(s) cannot be processed without a Social Security Number. Read the Privacy Act and the Financial Privacy Act Notices below before completing this item.

Item 3: Enter your permanent home street address, apartment number, city, state and zip code. If you have a Post Office Box and a street address, list both. A temporary school address is not acceptable.

Item 4: Enter the area code and telephone number for the address listed in Item 3. If you do not have a telephone, enter N/A.

Item 5: Enter the month, day, and year of your birth. Use only numbers. Be careful not to enter the current year.

Item 6: Enter the two-letter abbreviation for the state that issued your driver's license followed by the driver's license number. If you do not have a driver's license, enter N/A.

Item 7: If you choose, enter the e-mail address you use most frequently.

Item 8: Enter the name and address of the lender from which you wish to borrow this loan(s). If you do not have a lender for this loan, contact your school's financial aid office, a bank or other financial institution, or the guarantor or program listed on this form for information on lenders willing to make loans to students attending your school.

Item 9: If you know the lender code, enter it here. Otherwise, leave this item blank.

Item 10: Enter the requested reference information for two adults who do not share a common United States address. The first reference should be a parent (if living), legal guardian, or an adult relative. References with addresses outside the U.S. are not acceptable. All

requested items, including telephone number, must be complete or your loan(s) will be delayed. If a reference does not have a telephone, enter N/A in the appropriate space.

Item 11: Your school will notify you of the amount of subsidized and unsubsidized Stafford loans you are eligible to receive for this and subsequent academic periods. You may decline a loan or request a lower amount by contacting your lender or school. Additional information is included under "Loan Cancellation" in the Borrower's Rights and Responsibilities Statement.

Item 12: Check this box only if you want to make interest payments while in school.

Items 13, 14, and 15: Read these items carefully.

Item 16: Sign your legal name, including your first name, middle initial, and last name. Use a dark ink ballpoint pen. If you are making several copies, press firmly.

Item 17: Enter the date you are signing this Note.

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is Section 484(a)(4)(B) of the Higher Education Act of 1965, as amended [20 U.S.C. 1091(a)(4)(B)]. You are advised that participation in the Federal Family Education Loan Program is voluntary, but the requested information is necessary for participation.

The principal purpose of this information is to verify your identity, to determine your Program eligibility and benefits, to permit the servicing of your loan(s), and, in the event it is necessary, to locate you and to collect on your loan(s) if it becomes delinquent or defaulted.

The routine uses of this information include its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to guaranty agencies, to credit bureau organizations, to educational and financial institutions, and to agency contractors in order to verify your identity, to determine your Program eligibility and benefits, to permit the servicing or collecting of your loan(s), to counsel you in repayment efforts, to investigate possible fraud and to verify compliance with Program regulations, or to locate you if you become delinquent in your loan(s) payments or you default.

You must provide all of the information requested in order to have your loan processed.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a Note) requires that when any federal, state, or local government agency requests that you disclose your

Social Security Number (SSN), you must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority your SSN is solicited, and what uses will be made of it.

Section 7(a)(2) of the Privacy Act provides that an agency may continue to require disclosure of your SSN as a condition to grant you a right, benefit, or privilege provided by law in cases in which the agency required this disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

Disclosure of your SSN is required to participate in the Federal Family Education Loan Program. The United States Department of Education has, for several years, consistently required the disclosure of the SSN on application forms and other necessary Federal Family Education Loan Program documents adopted pursuant to published regulations.

Your SSN will be used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) in order to record necessary data accurately. As an identifier, the SSN is used in such Program activities as determining your Program eligibility, certifying your school attendance and student status, determining your eligibility for deferment of payments, determining your eligibility for loan discharge, and for tracing and collecting from you in case you become delinquent in your loan payments or you default.

Financial Privacy Act Notice

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), the U.S. Department of Education

will have access to financial records in your student loan file maintained by the lender in compliance with the administration of the Federal Family Education Loan Program.

Paperwork Reduction Notice

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0006. The time required to complete this information is estimated to average 1.0 hours (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to:**

U.S. Department of Education
Office of Student Financial Assistance
Policy Development Division
400 Maryland Avenue
S.W. (Room 3053, ROB-3)
Washington, DC 20202-5449

If you have comments or concerns regarding the status of your individual submission of this form, contact the lender, guarantor, or program identified in the upper right-hand corner of this form.

Borrower's Rights and Responsibilities

Important Notice: Please retain this statement because it applies to present and subsequent loans received under the Master Promissory Note. You may contact your lender at any time for another copy of this statement.

The Federal Family Education Loan Program (FFELP) includes the following loans:

- Subsidized Federal Stafford Loan (formerly known as Guaranteed Student Loan (GSL)).
- Unsubsidized Federal Stafford Loan.
- Federally Insured Student Loan (FISL).
- Federal Supplemental Loans for Students (SLS), also known as ALAS.
- Federal PLUS (parent) Loan.
- Federal Consolidation Loan.

The FFELP is authorized by Title IV, Part B of the Higher Education Act of 1965, as amended.

1. Governing Law — Loans disbursed under this Master Promissory Note ("Note") are subject to the Higher Education Act of 1965, as amended (20 U.S.C. 1070 et seq.), and applicable U.S. Department of Education regulations (collectively referred to as the "Act"). **NOTE: Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment.**

2. Use of this Note — I may receive multiple loans under this Note over a maximum ten year period. Whether I may receive loans under this Note for only one academic period, or for multiple academic periods, depends on the school I am attending. I may receive loans under this Note from the original lender, or a lender who assumes the right to offer loans under this Note, even if I change my school (provided the school is authorized to certify subsequent loans under this Note) and even if the guaranty agency changes. I must sign a new Note if I do not wish to receive loans from my original lender, or a lender who assumes the right to offer me loans under this Note.

3. Subsidized and Unsubsidized Loans — There are two types of Federal Stafford Loans that I may be eligible for under this Note: subsidized and unsubsidized. The subsidized Federal Stafford Loan is based on need. If I qualify, the government pays the lender the interest due on my subsidized loans while I am in school and during grace and deferment periods ("lender" refers to the original lender and its successors, including any subsequent holder of this Note). I am otherwise responsible for interest that accrues on my unsubsidized loan. The unsubsidized Federal Stafford Loan is not based on need. I am responsible for all interest that accrues on my unsubsidized loans.

4. Maximum Program Loan Amounts — Under the Federal Stafford Loan Program (including both subsidized and unsubsidized loans), I may borrow amounts under this Note up to — but no more than — the dollar amounts shown in the chart on this page (Maximum Annual Stafford Loan Amounts and

Federal Stafford Loan Maximums¹

DEPENDENT UNDERGRADUATES ²	Subsidized	Total (Subsidized & Unsubsidized) ³
First Year	\$2,625	\$2,625
Second Year	\$3,500	\$3,500
Third Year and Beyond	\$5,500	\$5,500
INDEPENDENT UNDERGRADUATES (and dependents whose parents are unable to borrow under the PLUS program)		
First Year	\$2,625	\$6,625
Second Year	\$3,500	\$7,500
Third Year and Beyond	\$5,500	\$10,500
GRADUATE AND PROFESSIONAL STUDENTS	\$8,500	\$18,500
AGGREGATE LIMITS³		
DEPENDENT UNDERGRADUATES	\$23,000	\$23,000
INDEPENDENT UNDERGRADUATES (and dependents whose parents are unable to borrow under the PLUS program)	\$23,000	\$46,000
GRADUATE AND PROFESSIONAL STUDENTS	\$65,500	\$138,500

¹ Certain health professions students may qualify for higher limits.

² All undergraduate annual loan limits are subject to proration.

³ If the borrower does not have financial need for a subsidized Stafford loan using expected family contribution (EFC), or has reached the aggregate limit in subsidized Stafford loans, the borrower may receive up to this entire amount in unsubsidized Stafford loans assuming he or she has remaining eligibility for the loan.

Maximum Aggregate Stafford Loan Amounts). I am subject to the limits on these loan amounts on the basis of the following:

- My academic level (freshman, sophomore, etc.).
- My status as a dependent student or independent student.
- The length of the academic program in which I am enrolled.
- The length of the remainder of my undergraduate program of study if it is less than one academic year, and
- As otherwise authorized by the Act.

5. Maximum Individual Loan Limits — For each academic period, my school determines the maximum loan amount I am eligible to receive by considering the factors in Section 4 above and other factors such as my Cost of Attendance, Expected Family Contribution, and other financial aid awarded to me. My school will determine first my eligibility for a subsidized Stafford Loan, and then for an unsubsidized Stafford Loan.

If I have received student loans from more than one lender or from other federal student loan programs, I am responsible for informing my school and my lender of my other student loans. In some cases, I may not be eligible for loans for which I have applied.

6. Use of Loan Money — I must use the loan money for authorized educational expenses for

attendance at the school that certified my eligibility for the time period shown on my disclosure statement. Authorized expenses include the following:

- Tuition.
- Room.
- Board.
- Institutional fees.
- Books.
- Supplies.
- Equipment.
- Dependent child care.
- Transportation.
- Commuting expenses.
- Rental or purchase of a personal computer.
- Origination fee and guarantee fee, and/or
- Other documented, authorized costs.

7. Disbursement of Loan Money — Generally, my loan money will be disbursed to my school in multiple installments based on the academic terms at my school. If my school does not have academic terms, my loan money will generally be disbursed in at least two installments, one at the beginning and one at the midpoint of my enrollment period for the applicable loans. If my school has a low default rate as specified in the Act, and the period of enrollment is not longer than one semester, trimester, quarter or four months, my loan money may be disbursed in one installment.

If I am enrolled in a foreign school, or in a study abroad program through a school in the U.S. (home institution), the disbursement requirements stated above do not apply and:

- The loan money may be sent in one installment directly to me, or
- I may provide my school or home institution, as applicable, a written authorization designating an individual not affiliated with the school or home institution as my power-of-attorney to negotiate any loan disbursements on my behalf.

Loan money may be credited to my account at my school or disbursed by a check or other means made payable to me.

If this is my first student loan under either the Direct Loan Program or the Federal Family Education Loan (FFEL) Program, I must receive entrance counseling before the first disbursement of my subsidized or unsubsidized Federal Stafford loan can be made.

8. Change of Status — I must notify my school and/or lender of certain changes.

I must notify my school's financial aid office if any of the following events take place.

- I reduce my enrollment status to less than half time,
- I withdraw from school,
- I stop attending classes,
- I fail to re-enroll for any term,
- I have a change in my expected graduation date, and/or
- I change my name, local address, permanent address, or e-mail address.

Shortly before my enrollment ends, I must participate in exit counseling with my school, during which I will update my loan records about my:

- Permanent address, e-mail address,
- Telephone number,
- Future employer, and
- References.

I must notify the lender of a particular loan if I fail to enroll with respect to such loan:

- At least half time for the loan period certified, or
- At the school that certified my eligibility.

I must promptly notify my lender(s) if any of the following events occur before loans held by my lender(s) are repaid:

- I change my address or telephone number,
- I change my name (for example, maiden name to married name),
- I withdraw from school or begin attending less than half time,
- I transfer from one school to another school,
- I change my employer or my employer's address or telephone number changes, and/or
- I have any other change in status that would affect my loan (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

9. Effect of Loans on Other Student Aid — Federal law requires that before receiving a Federal Stafford Loan, my school must receive a determination of my Pell Grant eligibility. Also, because an unsubsidized loan is more expensive to borrow than a subsidized loan, my school must determine my subsidized loan eligibility before I am offered an unsubsidized loan.

10. Grace Period — I will receive a 6-month grace period before the first payment of my Federal Stafford Loan must be made. The grace period begins the day after I cease to be enrolled at least half time at an eligible school.

My grace period does not include any period up to 3 years during which I am called or ordered to active duty for more than 30 days from a reserve component of the Armed Forces of the United States, including the period necessary for me to resume enrollment at the next available regular enrollment period.

11. Repayment — All of my loans made under this Note must be repaid. I may be charged an origination and a guarantee fee for each such loan. The amount of these fees will be deducted proportionately from each disbursement.

The repayment period for my loans begins the day after my 6-month grace period ends. My first payment will be due within 45 days after my grace period ends. My lender will notify me of the date my first payment is due.

I must make payments on my loans even if I do not receive a bill or repayment notice. Billing information is sent to me as a convenience, and I am obligated to make payments even if I do not receive any notice. My minimum annual payment required on all my FFELP loans will not, unless the lender otherwise agrees, be less than \$600, except as provided in a graduated or income-sensitive repayment plan. Notwithstanding the preceding sentence, my minimum annual payment will never be less than the amount of interest due and payable.

My principal repayment period for each loan generally lasts 5 years but may not exceed 10 years (except under an extended repayment plan) from the day after the grace period ends.

I will be given the opportunity to choose one of the following repayment plans (for the following repayment plans, the time limits shown do not include periods of deferment and forbearance):

- **Standard Repayment Plan** — If I choose this plan, I will make fixed monthly payments and repay my loan in full within 10 years from the date the loan entered repayment. Payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect annual changes in the variable interest rate.

■ **Graduated Repayment Plan** — If I choose this plan, I will usually make lower monthly payments at first, and my payments will increase over time. No single payment will be more than three times greater than any other payment. The number or amount of the payments may need to be adjusted to reflect annual changes in the variable interest rate.

■ **Extended Repayment Plan** — If I choose this plan, I will make monthly payments based on fixed annual or graduated repayment amounts over a period not to exceed 25 years. Payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect annual changes in the variable interest rate. If at the time I sign this Note I have no outstanding balance on a FFELP loan made before October 7, 1998, I am only eligible for this plan if I accumulate outstanding FFELP loans exceeding \$30,000.

■ **Income-Sensitive Repayment Plan** — If I choose this plan, my monthly payments will be adjusted annually, based on my expected total monthly gross income from all sources. I may call my lender at any time for more information about this repayment plan option.

These repayment plans will be explained in more detail during my exit counseling session. If I do not choose an income-sensitive, graduated, or extended repayment plan within 45 days after notification of my repayment choices, or if I choose an income-sensitive repayment plan but do not provide the required documentation within the lender-specified time frame, my lender will require that I repay the loan under a standard repayment plan. I may change the repayment plan on my loan(s) once a year.

There will be no penalty for prepaying any portion of my loans.

All payments and prepayments may be applied in the following order: late charges, fees, and collection costs first, outstanding interest second, and outstanding principal last.

If I fail to make any part of an installment payment within 15 days after it becomes due, I may owe a late charge. This charge may not exceed six cents for each dollar of each late installment.

12. Interest Rates — For Stafford Loans first disbursed on or after July 1, 1998, the interest rate will be a variable rate, adjusted annually on July 1, not to exceed 8.25%. The interest rate formula and the actual interest rate applicable to each of my loans will be disclosed to me. After reviewing the actual interest rate, I may cancel or reduce this loan in accordance with the "Loan Cancellation" section below.

13. Payment of Interest — My lender will, during the in-school, grace, deferment and active-duty periods for my loans, defer and align principal payments on my outstanding FFELP loans. Interest that accrues on all my subsidized FFELP loans during authorized forbearance periods, and on all my unsubsidized FFELP loans during periods when I am not making regularly scheduled payments may, unless precluded by the Act, be capitalized (added to the principal of my loans) — unless I pay the interest as it accrues.

Except for interest charges the federal government pays on my behalf for subsidized Federal Stafford Loans (while I am in school at least half time, for up to 3 years during active duty service in the Armed Forces as described in Section 10, during the grace period after I leave school, or during any period of authorized deferment), it is my responsibility to pay interest on the principal amount of my loans from the date of disbursement until the loans are paid in full. For all other periods and for unsubsidized Stafford Loans, it is my responsibility to pay interest on my loans.

If I inform my lender that I wish to pay interest as it accrues, but I do not submit the payments, my lender may capitalize that interest.

Capitalized interest increases the principal balance of my loans and the total amount of interest costs I incur. Interest will be capitalized on my loans as provided under the Act. Generally, capitalization may occur no more frequently than quarterly. However interest that accrues on my unsubsidized Stafford loans during in-school, grace or deferment periods may only be capitalized at the end of such periods. In addition, interest may not be capitalized if my lender grants an administrative forbearance for up to 60 days in order to collect and process documentation supporting my request for a deferment, forbearance, change in repayment plan, or consolidation. (See the chart entitled,

"Capitalization of Federal Stafford Loan Interest," for further information on capitalization.)

The charts entitled Repaying My Loans allow me to estimate this cost and estimate the effect of capitalization on my monthly payments. If necessary, I must add two or more estimates of my payments together to approximate more closely the total monthly payment.

The Taxpayer Relief Act of 1997 may allow me to claim a federal income tax deduction for interest payments I make on FFELP loans for the first 60 months (whether consecutive or not) that such loans are in repayment. The deduction applies to interest payments I make on or after January 1, 1998. For further information, I may refer to the IRS Publication 970, which is available at <http://www.irs.ustreas.gov>.

14. Loan Cancellation — I understand that the terms of a full or partial loan cancellation depend on when I request the cancellation.

At any time before my loan money is disbursed, I may decline all or part of my loan money by notifying my school or lender. No origination fee, guarantee fee or interest will be charged on the amount of the loan that is cancelled.

■ If my school credits my loan to my student account, I may cancel all or a part of my loan by informing my school within 14 days after the date my school sends me a disbursement notice, or by the first day of the school's payment period, whichever is later. (My school can tell me the first day of the payment period). If I cancel all or a portion of my loan as described in this paragraph, my school will return to my lender the cancelled amount of the loan money and the loan fees will be reduced or eliminated in proportion to the amount returned.

■ At any time within 120 days of disbursement, I may pay back all or a part of my loan. The loan

fees will be reduced or eliminated in proportion to the amount returned.

15. Sale or Transfer of Loans — The lender may sell or otherwise transfer one or all of my loans without my consent. Should ownership of a loan be transferred, I will be notified of the name, address, and telephone number of the new lender if the address to which I make my payments changes. Sale or transfer of my loans does not affect my rights and responsibilities under such loans. If the lender sells my loans to another originating lender, the lender may also transfer the right to offer subsequent loans under the Note to such purchaser. I always have the right to terminate a lender's ability to make loans to me under this Note by written notice to the lender.

16. Loan Discharge — My loans will be discharged if documentation of my death is submitted to my lender. My loans also may be discharged if I become totally and permanently disabled. A complete application for loan discharge must be submitted to my lender, and documentation verifying the total and permanent disability must be certified by my doctor. My lender may not approve a request for discharge on the basis of total and permanent disability for a condition that existed at the time I applied for this loan unless my doctor certifies that the condition substantially deteriorated after the loan was made.

My loan will not automatically be discharged in bankruptcy. In order to discharge a loan in bankruptcy, I must prove undue hardship in an adversary proceeding before the bankruptcy court.

In certain cases, the Act provides for loan discharge for borrowers who are unable to complete a course of study because the institution closes, or borrowers whose loan eligibility was falsely certified by the institution. The Act also provides for loan discharge in the amount of any required refund that my school failed to make to my lender on my behalf.

Capitalization of Federal Stafford Loan Interest

What is Capitalization?

Capitalization is a process whereby a lender adds unpaid interest to the principal balance of a loan. You are responsible for paying the interest due on your loan as described in Item 3 of this Rights and Responsibilities statement.

If you fail to make required interest payments before the beginning or resumption of principal repayment, or if you are granted a deferment (on an unsubsidized Stafford Loan) or forbearance, your lender may capitalize such interest as provided under the Act. The principal balance of your loan will increase each time your lender capitalizes unpaid interest. As a result, you will pay more interest charges over the life of the loan. When you leave school and begin repaying your loan, your monthly payment amount will be higher or, if your loan is subject to the \$50 minimum payment, you will make more payments.

This chart compares the monthly payments on unsubsidized Stafford loans where interest is paid while the borrower is in school and loans where the interest is capitalized. This example uses the maximum interest rate for Stafford loans, 8.25%. This is an estimate only. The actual interest capitalized will depend on factors such as disbursement date, number of disbursements, and the variable interest rate.

Treatment of Interest	Loan Amount	Capitalized Interest for 12 months	Principal to be Repaid	Monthly Payment	Number of Payments	Total Amount Repaid
When you pay the interest	\$15,000	\$ 0	\$15,000	\$184	120	\$22,077
When you don't pay the interest	\$15,000	\$1,350	\$16,350	\$201	120	\$24,069



Result: During repayment, you pay \$17 less per month and \$1,987 less over the lifetime of your loan(s) when you pay the interest as it is charged.

Contact your lender if you have questions or need more information.

Neither the lender, the guarantor, nor the Department of Education vouch for the quality or suitability of the academic programs offered by participating schools. Unless I qualify for loan discharge under the Act, I must repay the loans even if I do not complete my education, I am unable to obtain employment in my field of study, or I am dissatisfied with, or do not receive, the education I paid for with the loans.

17. Consequences of Default — Default is defined in detail in my Note. If I default, the entire unpaid balance and collection fees on the applicable loans will become immediately due and payable. Failure to repay loans made under this Note may result in any or all of the following:

- Loss of federal and state income tax refunds,
- Loss of other federal or state payments,
- Legal action against me,
- Collection charges (including attorney fees) being assessed against me,
- Loss of my professional license,
- An increase in my interest rate,
- Loss of eligibility for other student aid and assistance under most federal benefit programs,
- Loss of eligibility for loan deferments,
- Negative credit reports to credit bureaus, and/or
- My employer withholding part of my wages to give them to my guarantor (administrative wage garnishment).

18. Credit Bureau Notification — Information concerning the amount, disbursement, and repayment status (current or delinquent) of loans will be reported to one or more national credit bureau organizations on a regular basis. If I default on any loans made under this Note, that default also will be reported to national credit bureaus. Before any guaranty agency reports such a default, it will give me at least 30 days notice that default information will be disclosed to a credit bureau unless I enter into repayment arrangements within 30 days of the date on the notice. The guarantor will give me a chance to ask for a review of the debt(s) before the default is reported. My lender and guarantor must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information reported by the lender or guarantor.

19. Special Repayment Arrangements —

- A Federal Consolidation Loan Program is available under which I (or my spouse and I jointly) may consolidate into one debt federal education loans received from different lenders and/or under different education loan programs. Depending on the amount I borrow, this program may provide for an extension of my repayment period. Consolidation permits multiple debts to be combined into one monthly payment.

For additional information, I should contact my lender or guarantor.

- Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense in accordance with 10 U.S.C. 2141. Questions should be addressed to the local service recruiter. This is a recruiting program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces.
- In addition, volunteers who complete service in an approved national or community service project can earn an educational award. The award can be used to repay a Federal Stafford Loan. If I receive an educational award, I am responsible for providing my lender with information and documentation regarding my term of service and the award.

If I am a full-time teacher and at the time I signed this Note I have no outstanding balance on a Title IV loan made before October 1, 1998, I may be eligible for loan forgiveness. The U.S. Department of Education will repay a fixed amount of my subsidized and unsubsidized Stafford loans if I have worked as a full-time teacher for 5 consecutive school years, if I am not in default on any such loan, and if I meet all other eligibility requirements under the Act.

If I am a child care provider and my first FFELP loan was made to me on or after October 7, 1998, I may qualify for loan forgiveness under a demonstration program set forth in the Act. I understand that I must meet other eligibility requirements under the Act and that this program requires annual federal funding.

20. Deferments — Under certain circumstances, I have a right to defer (postpone) repayment. The types of deferments that are available to me depend on when I first obtained a FFELP loan. Upon request, my lender will provide me with a deferment application that explains the eligibility requirements. If I am in default on my loan(s), I am not eligible for a deferment.

If at the time I sign this Note I have no outstanding balance on a FFELP loan made before July 1, 1993, the following deferments are available while I am:

- Enrolled at least half time at an eligible school
- Engaged in a full-time course of study in a graduate fellowship program,
- Engaged in a full-time rehabilitation training program for individuals with disabilities (if the program is approved by the Department of Education),
- Conscientiously seeking, but unable to find, full-time employment (for up to three years),
- Experiencing an economic hardship as determined by federal law (for up to three years).

My lender will process an in-school deferment based on (i) my request along with documentation verifying my eligibility, or (ii) the lender's receipt of a school

certification of eligibility in connection with a new loan, or (iii) the lender's receipt of a student status information indicating that I am enrolled on at least a half-time basis.

In all other cases, I must provide my lender with a deferment request and evidence that verifies my eligibility.

If at the time I sign this Note I have a FFELP loan disbursed before July 1, 1993, information on applicable deferment opportunities will be found in my earlier promissory note materials.

21. Forbearance — If I am unable to make my scheduled loan payments, the lender may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called a forbearance. Interest charges continue to accrue during a forbearance period.

The lender may grant me a forbearance in the following circumstances:

- Financial hardship, and/or
- Illness.

My lender is generally not required to grant a forbearance and may require me to provide my reasons for the request and other information. The lender may grant me a forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments. My lender may grant me an administrative forbearance for up to 60 days in order to collect and process documentation supporting my request for a deferment, forbearance, change in repayment plan, or consolidation.

Circumstances that require my lender to grant me a forbearance include:

- Serving in a medical or dental internship or residency program, if I meet certain criteria.
- Serving in a national service position for which I receive a national service education award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service.
- Qualifying for partial repayment of my loans under the Student Loan Repayment Program, as administered by the Department of Defense.
- Having a monthly debt burden for Title IV loans that collectively equals or exceeds 20% of my total monthly gross income (for up to three years).

Upon request, my lender will provide me with forbearance information and a forbearance request form.

Repayment information follows

Important Notice: Please retain this statement because it applies to present and subsequent loans received under the Master Promissory Note.

Repaying My Loans

Follow these steps to estimate your loan payment. For subsidized Federal Stafford Loans, complete Step 3 only. The federal government pays the interest while you are in school.

Step 1: Calculate Your Monthly Interest Charges

As an example, we've used a \$4,500 loan with a 7% interest rate. If your loan amount is not on the table, follow the example below to estimate your monthly accrued interest.

Example:

Stafford Loan of \$4,500 at 7% interest

$$\begin{array}{r} \$4,000 = \$23.33/\text{month} \\ + 500 = 2.92/\text{month} \\ \hline \$26.25/\text{month} \end{array}$$

Your Monthly Interest \$ _____

Approximate Monthly Interest

Loan Amount	6.5%	7.0%	7.5%	8.0%	8.25%
\$500	\$2.71	\$2.92	\$3.13	\$3.33	\$3.44
\$1,000	\$5.42	\$5.83	\$6.25	\$6.67	\$6.88
\$2,000	\$10.83	\$11.67	\$12.50	\$13.33	\$13.75
\$3,000	\$16.25	\$17.50	\$18.75	\$20.00	\$20.63
\$3,500	\$18.96	\$20.42	\$21.88	\$23.33	\$24.06
\$4,000	\$21.67	\$23.33	\$25.00	\$26.67	\$27.50
\$5,000	\$27.08	\$29.17	\$31.25	\$33.33	\$34.38
\$5,500	\$29.79	\$32.08	\$34.38	\$36.67	\$37.81
\$6,000	\$32.50	\$35.00	\$37.50	\$40.00	\$41.25
\$7,000	\$37.92	\$40.83	\$43.75	\$46.67	\$48.13
\$8,000	\$43.33	\$46.67	\$50.00	\$53.33	\$55.00
\$8,500	\$46.04	\$49.58	\$53.13	\$56.67	\$58.44

Step 2: Estimate Your Capitalized Interest

Complete this step only if you will capitalize interest on an unsubsidized Federal Stafford Loan. **This is an estimate only.** Actual interest capitalized will depend on factors such as disbursement dates, number of disbursements, and the variable interest rate.

	Monthly Interest (From Step One)		Number of Months in school and Grace		Estimate of Capitalized Interest
Sample	\$ 26.25	X	\$ 27	=	\$ 709
Unsubsidized Stafford	\$ _____	X	\$ _____	=	\$ _____

Step 3: Estimate Your Monthly Payment

Round your loan up to the nearest \$500. If your principal amount is not on the table, follow the example above in Step 1 to estimate your monthly payment. If you previously had interest capitalized, add it to the original loan amount to get the new principal amount.

Example:

Stafford Loan of \$4,500 at 7% interest

$$\begin{array}{r} \$4,500 = \text{Principal amount} \\ + 709 = \text{Interest capitalized} \\ \hline \$5,209 = \text{New Principal Amount} \end{array}$$

Round up to nearest \$500 = \$5,500
Estimated Monthly Payment = \$63.86

*Minimum monthly payment = \$50 or amount of interest accruing each month

Estimated Monthly Payments (10 Year Term)

Principal Balance	6.5%	7.0%	7.5%	8.0%	8.25%
\$500*	\$5.68	\$5.81	\$5.94	\$6.07	\$6.13
\$1,000*	\$11.35	\$11.61	\$11.87	\$12.13	\$12.27
\$2,000*	\$22.71	\$23.22	\$23.74	\$24.27	\$24.53
\$3,000*	\$34.06	\$34.83	\$35.61	\$36.40	\$36.80
\$3,500*	\$39.74	\$40.64	\$41.55	\$42.46	\$42.93
\$4,000*	\$45.42	\$46.44	\$47.48	\$48.53	\$49.06
\$5,000	\$56.77	\$58.05	\$59.35	\$60.66	\$61.33
\$5,500	\$62.45	\$63.86	\$65.29	\$66.73	\$67.46
\$6,000	\$68.13	\$69.67	\$71.22	\$72.80	\$73.59
\$7,000	\$79.48	\$81.28	\$83.09	\$84.93	\$85.86
\$8,000	\$90.84	\$92.89	\$94.96	\$97.06	\$98.12
\$8,500	\$96.52	\$98.69	\$100.90	\$103.13	\$104.25

	Loan Amount		Estimate of Capitalized Interest (From Step Two)		New Principal Balance		Estimated Monthly Payment
Sample	\$ 4,500	+	\$ 709	=	\$ 5,209		\$ 63.86
Subsidized Stafford	\$ _____	+	\$ - 0 -	=	\$ _____		\$ _____
Unsubsidized Stafford	\$ _____	+	\$ _____	=	\$ _____		\$ _____

Federal Family Education Loan Program (FFELP) Federal Stafford Loan School Certification

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor, Program, or Lender Identification

(Reserved for school, lender, or guarantor mailing address as appropriate)

1. School Code

2. School Information (Name, address, and phone number)

To be completed by a financial aid administrator or other school official authorized to certify financial aid forms.

3. Borrower's Last Name		First Name	MI	4. Social Security Number	
5. Permanent Street Address			6. Telephone Number		7. Date of Birth (Month/Day/Year)
City	State	Zip	8. Borrower e-mail Address (optional)		
9. Lender Code/Name					
10. Grade Level		11. Enrollment Status (Check one) ☐ Full Time ☐ At Least Half Time		12. Anticipated (Completion) Graduation Date (Month/Day/Year)	
13. Loan Period (Month/Day/Year) From		14. Certified Loan Amounts a. Subsidized \$ 00		15. Recommended Disbursement Date(s) (Month/Day/Year) 1st 2nd	
To		b. Unsubsidized \$ 00		3rd 4th	

School Certification

I hereby certify that the borrower named on this Certification is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type(s) certified. I certify that the student is an eligible borrower in accordance with the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act). I further certify that the borrower's eligibility for a Pell Grant has been determined, that the borrower is not incarcerated, and that the borrower has been determined eligible for loan(s) in the amount(s) certified. I further certify that the disbursement schedule complies with the requirements of the Act and hereby authorize the guarantor and/or the lender to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, the borrower has met the requirements of the Selective Service Act and that the information provided in this Certification is true, complete, and accurate to the best of my knowledge and belief. I agree to provide the borrower (i) with confirmation of any transfer of funds through electronic funds transfer (EFT) or master check to the borrower's student account, and (ii) with an opportunity to cancel or reduce any disbursement of a loan.

16. Signature of Authorized School Official _____ 17. Date (Month/Day/Year) _____
Name/Title (Printed or Typed) _____

Please refer to the instructions for completing this form.

Instructions for Certifying a Federal Stafford Loan

Important Notice: if certification information is transmitted electronically, do not complete the School Certification form.

Item 1: Enter the code for your institution. This code is provided by the U.S. Department of Education for the Federal Family Education Loan Program.

Item 2: Enter your school name, address, and telephone number, including area code, of the school official who can answer questions about this certification.

Item 3: Enter the borrower's complete name, last name first, followed by the first name and middle initial.

Item 4: Enter the borrower's social security number.

Item 5: Enter the borrower's permanent street address.

Item 6: Enter the borrower's telephone number.

Item 7: Enter the borrower's date of birth in month, day, year format.

Item 8: Enter the borrower's e-mail address if known.

Item 9: Enter the borrower's lender selection (identification number and name) if known.

Item 10: Enter the academic level of the student seeking this loan. Select the proper grade level indicator using the standard grade level codes provided.

Code	Grade Level
1	Freshman/First Year (including proprietary institution programs that are less than one year in duration)

2 Sophomore/Second Year

3 Junior/Third Year

4 Senior/Fourth Year

5 Fifth Year/Other Undergraduate (including sixth year undergraduate and continuing education students)

A First Year Graduate/Professional

B Second Year Graduate/Professional

C Third Year Graduate/Professional

D Beyond Third Year Graduate/Professional

Item 11: Indicate whether the student is (or plans to be) enrolled at least half time or full time. Students enrolled (or planning to enroll) less than half time are not eligible.

Item 12: Enter the date the student is expected to complete the program at your institution. Use numbers in a Month/Day/Year format, for example, 6/9/96. Day date is needed to determine the specific day the student will enter repayment (as per the Act). If you are unsure of the actual completion date in the future, enter the last day of the month.

Item 13: Enter the dates covered by the student's cost of attendance. These dates must coincide with actual term starting and ending dates. At a school without academic terms, these dates must coincide with the borrower's program of study if that is less than an academic year in length, or the academic year. Use numbers in a Month/Day/Year format.

Item 14: Enter the lesser of the following: A) the amount of the student's eligibility for each loan type, or B) the loan amount requested by the student. The student's eligibility must be reduced if the student is attending a program with a length of less than a full academic year, or completing the remaining balance of a program in a period of less than an academic year. The student's eligibility may also be reduced based on professional judgment. If this field is left blank, the loan(s) will be delayed.

Item 14a: Certify the lesser of the student's eligibility for a subsidized Federal Stafford Loan or the subsidized Stafford amount requested by the student. If the student is not eligible for a subsidized Federal Stafford Loan, enter 0.

Item 14b: Certify the lesser of the student's eligibility for an unsubsidized Federal Stafford Loan or the unsubsidized Stafford amount requested by the student. If the student is not eligible for an unsubsidized Federal Stafford Loan, enter 0.

Item 15: Enter the disbursement dates for this loan(s) as determined in accordance with the Act.

Item 16: Your signature acknowledges that you have read and agree to the provisions in the School Certification. You must sign the Certification and print your name and title.

Item 17: Enter the date of Certification.

Plain Language Disclosure

You are receiving a student loan to help you cover the costs of your education. This notice summarizes information concerning your loan. Please read this notice carefully. If you have questions about your loan, contact your lender.

1. **General** - You must repay this loan. You are responsible for repaying this loan even if you are unhappy with your education, do not complete it, or cannot find work in your area of study. Borrow only the amount you need.
2. **Loan Cancellation** - You may cancel or reduce the amount of your loan by writing to your school or lender before your lender sends your loan money to your school. There are two ways to cancel all or part of your loan after your loan money is sent to your school. You may contact the school within 14 days of the date the school informs you they have applied your loan to your account or you can pay back all or a part of your loan within 120 days of the date your lender sends your loan money to your school.
3. **Master Promissory Note (MPN)** - If you signed an MPN and continue to attend school, you may receive multiple loans under the same MPN for up to 10 years. During this period, you may receive loans under the same MPN if the school you attend is eligible to participate in the multi-year loan process. You can write to your lender to stop loans from being made under your current MPN. You will need to sign a new MPN if you want to change your lender.
4. **Loan Amount** - There are annual and total limits on the amounts you may borrow, as explained in the Rights and Responsibilities Statement you previously received. The total amount you borrow cannot be more than these limits.
5. **Use of Loan Money** - You may only use your loan money to pay educational expenses at the school that certified your loan eligibility (e.g., tuition, room, board, books). If you accept this loan, your eligibility for other student assistance may be affected.
6. **Origination Fee and Guarantee Fee** - The federal government charges an origination fee on your loan. The lender who makes your loan will collect this fee. The origination fee may be up to 3 percent of the principal amount of the loan. The guaranty agency that guarantees your loan may charge a guarantee fee of up to 1 percent of the principal amount of the loan. Both fees come out of your loan amount. If you cancel or repay all or part of your loan within 120 days of the day your lender sends your loan money to your school, your origination and guarantee fees will be canceled or reduced.
7. **Change of Status or Address** - You must tell your school and/or lender if you stop attending school or no longer attend school on at least a half-time basis. You must also tell your lender while you are repaying your loan if you change your address, name (e.g., maiden name to married name) or employer, or if the address of your employer changes at any time.
8. **Repayment** - You must repay the full loan amount, and all interest on your loan, generally within 10 years. You will receive a 6-month grace period that starts the day after you leave school. You do not have to make payments during your grace period. You must make payments after your grace period ends according to the schedule provided by your lender. Your lender will give you the choice of a Standard Repayment Plan, Graduated Repayment Plan, Income-Sensitive Repayment Plan or Extended Repayment Plan. You may request a change to your repayment plan once a year. These plans are designed to give you flexibility in meeting your repayment obligation. You may make loan payments before they are required, or in amounts greater than required, at any time without penalty. When you pay back your loan in full, you agree that the current holder does not have to send you the original Note but may instead send you a letter telling you that you have paid-off your loan. You should keep this letter telling you that you have paid-off your loan in a safe place.
9. **Interest** - The interest rate on your loan is a variable rate, which can change each year on July 1. The rate will never be more than 8.25%. Interest is charged on the unpaid loan amount. Interest charges begin on the date the loan is disbursed and end when the loan is paid in full. For subsidized loans, the federal government pays your interest charges while you attend school, for 6 months after you leave school, and while your loan is deferred. You must pay all other interest charges on your subsidized loan. For unsubsidized loans, you must pay all interest charges. You agree that the lender may add interest charges to your loan amount, as provided by law, if you do not make payments of interest. Since the federal government does not make any interest payments for you on unsubsidized loans, you will repay more interest on unsubsidized loans than on subsidized loans. The interest rate on loans you receive under an MPN may differ from loan to loan depending on when the loan is made.

10. **Late Charges and Collection Costs** - The lender may collect from you a late charge if you do not make any part of a payment within 15 days after it becomes due. The lender may only collect one late charge for each payment, no matter how many days the payment is late. The lender may also collect from you any other charges and fees involved in collecting your loan.
11. **Loan Consolidation** - After you leave school, you may consolidate all of your loans into one loan. Consolidating your loans gives you up to 30 years to pay them back and can lower your monthly payments. That may make it easier to repay your loans. Because you make payments for a longer period of time, consolidation means you will pay more interest charges. Contact your lender for more information about consolidating your loans.
12. **Deferments** - You do not have to make payments in certain circumstances. For example, you will not have to make payments while you are attending school at least half-time or for up to 3 years while you are unemployed. For a complete list of deferments, and all documentation and eligibility requirements, please refer to your Rights and Responsibilities Statement. The federal government pays the interest on subsidized loans during periods of deferment. You must pay the interest on unsubsidized loans during deferment periods, or it will be added to the principal amount of the loan. If interest is added, you will then pay interest on the larger amount.
13. **Forbearance** - If you cannot make scheduled payments and do not qualify for a deferment, your lender may allow you to temporarily make smaller payments or temporarily stop making payments. Interest continues to be charged on your loan during a forbearance. The lender must grant you a forbearance in certain cases, as described in your Rights and Responsibilities Statement.
14. **Loan Discharge** - Your loan will be discharged (forgiven) when (i) acceptable documentation of your death or permanent and total disability is given to your lender, (ii) you cannot complete a course of study because your school closes, or (iii) your school falsely certifies your loan eligibility. Your loan will not automatically be discharged in bankruptcy. Your loan may also be discharged up to the amount of any refund that your school should have made, but did not send to your lender.
15. **Credit Bureau Notification** - Information about your loan will be reported to one or more national credit bureaus. Information will include the disbursement date, amount, and repayment status of your loan (for example, whether you are current or behind schedule in making payments).
16. **Default and Acceleration** - If you default on your loan, that fact will be reported to all national credit bureaus. All unpaid amounts and collection fees on your loan will become immediately due and payable. You may be sued, your wages may be garnished, and/or your tax refund may be withheld. You agree to pay reasonable collection fees and costs, plus court costs and attorney fees. You may face other serious consequences.
17. **Sale or Transfer of your Loan** - Your lender may sell or assign this loan without your consent and without selling or assigning any of your other loans. The sale or transfer of your loan does not affect your rights and responsibilities with respect to the loan. You will be given the name, address, and telephone number of any new owner of your loan, if the change in ownership means you must send payments to a new address.
18. **Controlling Terms and Conditions** - This Disclosure summarizes information concerning your loan. Please refer to your Promissory Note and Rights and Responsibilities Statement for the complete terms and conditions of your loan. Except as specifically stated in this Disclosure, your Note and Statement govern the terms and conditions of your loan.

Direct Loans

William D. Ford Federal Direct Loan Program

Master Promissory Note William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OBM No. 1845-0007
Form Approved
Exp. Date 08/31/2002

Federal Direct Stafford/Ford Loan Federal Direct Unsubsidized Stafford/Ford Loan

Section A: To Be Completed By The Borrower

1. Driver's License State and Number
2. Social Security No.
3. E-mail address
4. Name and Address (street, city, state, zip code)
Last, First, M.I.
5. Date of Birth
6. Area Code/Telephone No.

7. **References:** You must list two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

Name	1. _____	2. _____
Permanent Address	_____	
City, State, Zip Code	_____	
Area Code/Telephone Number	() _____	() _____
Relationship to Borrower	_____	

8. **Requested Loan Amount:** I request a total amount of subsidized and unsubsidized loans under this Master Promissory Note not to exceed the allowable maximums under the Higher Education Act. My school will notify me of type(s) and amount(s) of loan(s) that I am eligible to receive. I may decline a loan or request a lower amount by contacting my school. Additional information about my right to cancel or reduce my loan is included in the Borrower's Rights and Responsibilities statement and Disclosure Statements that have been or will be provided to me.

Section B: To Be Completed By The School

9. School Name and Address
10. School Code/Branch
11. Identification No.

Borrower Certifications and Authorizations

Read carefully before signing below.

12. I declare under penalty of perjury that the following is true and correct:
 - I certify that the information I have provided on this Master Promissory Note and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
 - I certify that I will immediately repay any loan proceeds that cannot be attributed to educational expenses for attendance on at least a half-time basis at the school that certified my loan eligibility.
 - I certify that I do not now owe a refund on a Federal Pell Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program (Direct Loans), or the Federal Family Education Loan Program (FFELP) or, I have made satisfactory repayment arrangements on the defaulted loan.
13. For all Direct Subsidized and Direct Unsubsidized Loans (as described in the additional Note provisions and the Borrower's Rights and Responsibilities statement) I receive under this Master Promissory Note, and for certain other loans as described below, I make the following authorizations:
 - I authorize my school to certify my eligibility for loans under this Master Promissory Note.
 - I authorize my school to credit my loan proceeds to my student account.
 - I authorize my school to pay to the U.S. Department of Education (ED) any refund that may be due up to the full amount of the loans.
 - I authorize ED to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.
 - Unless I notify ED differently, I request and authorize ED to: (i) during the in-school and grace periods of any loans made under this Note, defer and align the repayment of principal on all of my Direct Loans that are in repayment status; and (ii) add interest which I must pay that accrues on all my Direct Loans to the principal balance of such loans ("capitalization") including such loans made under this Note during periods of forbearance and, for unsubsidized loans, during in-school, grace, and deferment periods, as provided under the Act. "Capitalization" will increase the principal balance on my loans and the total amount of interest cost I incur.
 - I authorize the release of information pertinent to my loans: (i) by the school and ED, to the references on the applicable loans and to members of my immediate family unless I submit written directions otherwise; and, (ii) by and among my schools, lenders, guarantors, the U.S. Department of Education, and their agents.

Promise to Pay

14. I promise to pay to the U.S. Department of Education all sums disbursed (hereafter "loan" or "loans") under the terms of this Master Promissory Note (hereafter "Note"), plus interest and other charges and fees that may become due as provided in this Note. **I understand that multiple loans may be made to me under this Note.** I understand that by accepting any disbursements issued at any time under this Note, I accept the obligation to repay the loans. I understand I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. I may pay interest that accrues on my Federal Direct Unsubsidized Stafford/Ford Loans during in-school, grace, and deferment periods, or may allow it to accumulate and be added to the principal balance of such loans. If I fail to make any payment on any loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Certifications and Authorizations printed above, the Notice on the reverse side, and the accompanying Borrower's Rights and Responsibilities statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE, AND THAT I MUST REPAY SUCH LOAN(S).

15. Borrower's Signature
16. Today's Date (Month/Day/Year)

Additional Note Provisions follow

Master Promissory Note (continued)

DISCLOSURE OF LOAN TERMS

This Note applies to both Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) described in the Interest section below. I agree that each loan is separately enforceable based on a true and exact copy of this Note. Loans disbursed under this note are subject to the annual and aggregate loan limits specified in the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, *et seq.*, and applicable U.S. Department of Education (ED) regulations (collectively referred to as the "Act").

Under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued (unless I reduce or cancel any disbursements as provided below).

At or before the time of the first disbursement for each loan, a disclosure statement will be issued to me identifying the amount of the loan and additional terms of the loan. Important additional information is also disclosed in the Borrower's Rights and Responsibilities statement accompanying this Note. The Borrower's Rights and Responsibilities statement and any disclosure statement I receive in connection with any loan under this Note are hereby incorporated into this Note.

I may request additional loan funds for my educational costs (up to the annual and aggregate loan limits) from my school. If my school determines that I am eligible for any additional or adjusted loan amount my school may certify such amount.

My eligibility for Direct Subsidized Loans and Direct Unsubsidized Loans may change based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of changes or additions to my Direct Subsidized Loans and Direct Unsubsidized Loans in a separate disclosure statement.

LOAN CANCELLATION

I may pay back all or a portion of a disbursement within time frames set by the Act and identified in the Borrower's Rights and Responsibilities statement or other disclosure statement I receive at or before disbursement. In such case, the loan fee will be reduced or eliminated in proportion to the amount of the disbursement returned. I will not incur interest charges if I return the full loan amount as provided in the Act.

INTEREST

Unless ED notifies me in writing of a lower rate(s), the rate(s) of interest for my loans are those specified in the Act. The rate is presented in the Borrower's Rights and Responsibilities statement accompanying this Note or in another disclosure that is issued to me.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement until the loan is paid in full. I agree to pay all interest charges on my Direct Subsidized Loans. I agree to pay all interest charges on my Direct Unsubsidized Loans. If I fail to make required payments of interest before the beginning or resumption of principal repayment, or during a period of deferment or forbearance, I agree that ED may capitalize such interest, as provided under the Act. There is no federal interest subsidy on unsubsidized loans, so the total amount of interest I am required to repay on unsubsidized loans will be higher than on subsidized loans.

LOAN FEE

A loan fee is charged for each Direct Subsidized Loan and Direct Unsubsidized Loan equal to the amount required by the Act. I will pay such fee as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loans. I understand the loan fees may be refundable only to the extent permitted by the Act.

LATE CHARGES AND COLLECTION COSTS

ED may collect from me: (i) a late charge for each late installment payment if I fail to make any part of a required installment payment within 30 days after it becomes due, and (ii) any other charges and fees that are permitted by the Act for the collection of my loans. If I default on any loans, I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

REPAYMENT

I am obligated to repay the full amount of the loans made under this Note and accrued interest. Direct Subsidized and Unsubsidized Loans have a repayment grace period of 6 months. I will repay the principal of my loans in periodic installments during repayment periods that begin on the day immediately following the end of the applicable grace period. Payments submitted by me or on my behalf (exclusive of refunds) will be applied first to charges and collection costs that are due, then to accrued interest that has not been capitalized, and finally to the principal amount. I understand that the School's certification of my loan eligibility determines whether my loans must be repaid as subsidized and/or unsubsidized Direct Loans.

The Direct Loan Servicing Center will provide me with a repayment schedule that identifies my payment amounts and due dates. **Direct Loan repayment information is covered in the Borrower's Rights and Responsibilities statement.**

If I am unable to make my scheduled loan payments, ED may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance.

I agree that ED may align payment dates on my loans or may grant me forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, ED will determine how to apply the prepayment in accordance with the Act. Upon repayment in full of each loan under this Note, I agree to accept written notification of such loan payoff in place of receiving the original Note.

ACCELERATION AND DEFAULT

At the option of ED, the entire unpaid balance of the applicable loans shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as at least a half-time student at the School that certified my loan eligibility, (ii) I fail to use the proceeds of the loans solely for educational expenses, (iii) I make a false representation(s) that results in my receiving any loans for which I am not eligible, or (iv) I default on the loans.

The following events shall constitute a default on my loans: (i) I fail to pay the entire unpaid balance of the applicable loans after ED has exercised its option under items (i), (ii), and (iii) in the preceding paragraph; (ii) I fail to make installment payments when due, provided my failure has persisted for at least 270 days; or (iii) I fail to comply with other terms of the loans, and ED reasonably concludes I no longer intend to honor my repayment obligation. If I default, ED may capitalize all the outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, the default will be reported to all national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities statement. Following default, the loans may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

GOVERNING LAW AND NOTICES

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 *et seq.*), and other applicable federal statutes and regulations.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address ED has for me. I will immediately notify ED of a change of address or status as specified in the Borrower's Rights and Responsibilities statement.

Failure by ED to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of ED. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Notice: Applicable to Loans Received After the Initial Enrollment Period

This Master Promissory Note authorizes ED to disburse multiple loans during the multi-year term of this Note upon my request and upon the school's certification of my loan eligibility.

Subsequent loans may be made under this Note for subsequent periods of enrollment only at four-year or graduate schools, or other schools, as designated by the Secretary of the U.S. Department of Education. I agree that no subsequent loans will be made under this Note after the earliest of the following dates: (i) the date ED receives my written notice that no further loans may be disbursed under the Note;

(ii) one year after the date of my first anticipated disbursement on this Note if no disbursement is made during such twelve month period; or (iii) ten years after the date of the first anticipated disbursement made under this Note.

Any amendment to the act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Master Promissory Note.

Direct Loans

Master Promissory Note William D. Ford Federal Direct Loan Program Instructions and Notices

OBM No. 1845-0007
Form Approved
Exp. Date 08/31/2002

Federal Direct Stafford/Ford Loan Federal Direct Unsubsidized Stafford/Ford Loan

Instructions for Completing Promissory Note

This is a Master Promissory Note under which you may receive multiple Direct Subsidized Loans and Direct Unsubsidized Loans over a maximum ten year period.

Section A: To Be Completed By The Borrower

Use blue or black ink ball point pen or typewriter. Do not complete this form in pencil.

Section A must be completed by the student who is applying to be a borrower of a Federal Direct Stafford/Ford Loan (Direct Subsidized Loan) and/or a Federal Direct Unsubsidized Stafford/Ford Loan (Direct Unsubsidized Loan). Items 1 and 2 and Items 4 through 6 may have been preprinted on the Promissory Note by the school certifying your loan, if you provided this information on your Free Application for Federal Student Aid (FAFSA). You should review all the questions and responses and enter information for any items that are not preprinted. Cross out any incorrect information and print the correct information. Incorrect or incomplete information may cause your loan to be delayed.

All references to "you" mean the student borrower.

Item 1: Enter the two-letter abbreviation for the state that issued your current driver's license followed by the driver's license number. If you do not have a current driver's license, enter the letters "N/A."

Item 2: Enter your nine-digit Social Security Number. If this item has been completed for you, review it for correctness. If it is incorrect, cross out the entire incorrect number and print the entire correct Social Security Number in this box. Your loan(s) cannot be processed without your Social Security Number. Read the Privacy Act and the Financial Privacy Act Notices below before completing this item.

Item 3: Enter your e-mail address if you have one.

Item 4: Enter your last name, then your first name and middle initial. Enter your permanent street address, apartment number, city, state, and zip code.

Item 5: Enter the month, day, and four-digit year of your birth. Use only numbers. Be careful not to enter the current year.

Item 6: Enter the area code and telephone number for the address listed in Item 1. If you do not have a telephone, enter "N/A."

Item 7: Enter the requested reference information for two adults who do not share a common address. The first reference should be a parent or legal guardian. References with addresses outside the United States are not acceptable. Provide relationship of references to you.

Item 8: Your school will notify you of the amount of Direct Subsidized and Direct Unsubsidized Loans you are eligible to receive for this and subsequent academic periods. You may decline a loan or request a lower amount by contacting your school. Additional information is included under "Loan Cancellation" in the Borrower's Rights and Responsibilities statement.

Items 12, 13, and 14: Read these items carefully.

Items 15 and 16: After reviewing the terms of the Promissory Note, you must sign your full legal name, in blue or black ink, and enter the date you signed this Promissory Note.

By signing, you:

A) Acknowledge that you have read, understand, and agree to the provisions in the Master Promissory Note including the Borrower Certifications and Authorizations and the Borrower's Rights and Responsibilities statement.

B) Agree to repay the loan(s) in full according to the terms and conditions in the Master Promissory Note.

Section B: To Be Completed By The School

These three items must be completed by the school.

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq., of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct Subsidized Loan and/or Direct Unsubsidized Loan made under the William D. Ford Federal Direct Loan (Direct Loan) Program. The principal purposes for collecting this information are to process your Direct Subsidized Loan and/or Direct Unsubsidized Loan, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, *Federal Register*, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, *Federal Register*, Vol. 59, p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance programs, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

Financial Privacy Act Notice.

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

Paperwork Reduction Notice.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is 1845-0007. The time required to complete this information collection is estimated to average 1.0 hour (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to:**

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

Direct Loans

Master Promissory Note William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097.

OBM No. 1845-0007
Form Approved
Exp. Date 08/31/2002

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan

7. References: You must list two persons with different U.S. addresses who have known you for at least three years. The first reference should be a parent or legal guardian.

Name	1. _____	2. _____
Permanent Address	_____	_____
City, State, Zip Code	_____	_____
Area Code/Telephone Number	() _____	() _____
Relationship to Borrower	_____	

8. Requested Loan Amount: I request a total amount of subsidized and unsubsidized loans under this Master Promissory Note not to exceed the allowable maximums under the Higher Education Act. My school will notify me of type(s) and amount(s) of loan(s) that I am eligible to receive. I may decline a loan or request a lower amount by contacting my school. Additional information about my right to cancel or reduce my loan is included in the Borrower's Rights and Responsibilities statement and Disclosure Statements that have been or will be provided to me.

Borrower Certifications and Authorizations

Read carefully before signing below.

- 12.** I declare under penalty of perjury that the following is true and correct:
- I certify that the information I have provided on this Master Promissory Note and as updated by me from time to time is true, complete, and correct to the best of my knowledge and belief and is made in good faith.
 - I certify that I will immediately repay any loan proceeds that cannot be attributed to educational expenses for attendance on at least a half-time basis at the school that certified my loan eligibility.
 - I certify that I do not now owe a refund on a Federal Pell Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program (Direct Loans), or the Federal Family Education Loan Program (FFELP) or I have made satisfactory repayment arrangements on the defaulted loan.
- 13.** For all Direct Subsidized and Direct Unsubsidized Loans (as described in the additional Note provisions and the Borrower's Rights and Responsibilities statement) I receive under this Master Promissory Note, and for certain other loans as described below, I make the following authorizations:
- I authorize my school to certify my eligibility for loans under this Master Promissory Note.
 - I authorize my school to credit my loan proceeds to my student account.
 - I authorize my school to pay to the U.S. Department of Education (ED) any refund that may be due up to the full amount of the loans.
 - I authorize ED to investigate my credit record and report information concerning my loan status to persons and organizations permitted by law to receive such information.
 - Unless I notify ED differently, I request and authorize ED to: (i) during the in-school and grace periods of any loans made under this Note, defer and align the repayment of principal on all of my Direct Loans that are in repayment status; and (ii) add interest which I must pay that accrues on all my Direct Loans to the principal balance of such loans ("capitalization") including such loans made under this Note during periods of forbearance and, for unsubsidized loans, during in-school, grace, and deferment periods, as provided under the Act "Capitalization" will increase the principal balance on my loans and the total amount of interest cost I incur.
 - I authorize the release of information pertinent to my loans: (i) by the school and ED, to the references on the applicable loans and to members of my immediate family unless I submit written directions otherwise; and, (ii) by and among my schools, lenders, guarantors, the U.S. Department of Education, and their agents.

Promise to Pay

14. I promise to pay to the U.S. Department of Education all sums disbursed (hereafter "loan" or "loans") under the terms of this Master Promissory Note (hereafter "Note"), plus interest and other charges and fees that may become due as provided in this Note. I understand that multiple loans may be made to me under this Note. I understand that by accepting any disbursements issued at any time under this Note, I accept the obligation to repay the loans. I understand I may cancel or reduce the amount of any loan by refusing to accept or by returning all or a portion of any disbursement that is issued. I may pay interest that accrues on my Federal Direct Unsubsidized Stafford/Ford Loans during in-school, grace, and deferment periods, or may allow it to accumulate and be added to the principal balance of such loans. If I fail to make any payment on any loan made under this Note when due, I will also pay reasonable collection costs, including but not limited to attorney's fees, court costs, and other fees. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Note and the Borrower's Rights and Responsibilities statement. My signature certifies I have read, understand, and agree to the terms and conditions of this Note, including the Borrower Certifications and Authorizations printed above, the Notice on the reverse side, and the accompanying Borrower's Rights and Responsibilities statement.

I UNDERSTAND THAT I MAY RECEIVE ONE OR MORE LOANS UNDER THIS MASTER PROMISSORY NOTE, AND THAT I MUST REPAY SUCH LOAN(S).

15. Borrower's Signature _____

16. Today's Date (Month/Day/Year) _____

Additional Note Provisions follow

Master Promissory Note (continued)

DISCLOSURE OF LOAN TERMS

This Note applies to both Federal Direct Stafford/Ford Loans (Direct Subsidized Loans) and Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans) described in the Interest section below. I agree that each loan is separately enforceable based on a true and exact copy of this Note. Loans disbursed under this note are subject to the annual and aggregate loan limits specified in the Higher Education Act of 1965, as amended, 20 U.S.C. 1070, *et seq.*, and applicable U.S. Department of Education (ED) regulations (collectively referred to as the "Act").

Under this Note, the principal amount that I owe, and am required to repay, will be the sum of all disbursements issued (unless I reduce or cancel any disbursements as provided below).

At or before the time of the first disbursement for each loan, a disclosure statement will be issued to me identifying the amount of the loan and additional terms of the loan. Important additional information is also disclosed in the Borrower's Rights and Responsibilities statement accompanying this Note. The Borrower's Rights and Responsibilities statement and any disclosure statement I receive in connection with any loan under this Note are hereby incorporated into this Note.

I may request additional loan funds for my educational costs (up to the annual and aggregate loan limits) from my school. If my school determines that I am eligible for any additional or adjusted loan amount my school may certify such amount.

My eligibility for Direct Subsidized Loans and Direct Unsubsidized Loans may change based on changes in my financial circumstances. My school will notify me of any changes in my eligibility. I will be notified of changes or additions to my Direct Subsidized Loans and Direct Unsubsidized Loans in a separate disclosure statement.

LOAN CANCELLATION

I may pay back all or a portion of a disbursement within time frames set by the Act and identified in the Borrower's Rights and Responsibilities statement or other disclosure statement I receive at or before disbursement. In such case, the loan fee will be reduced or eliminated in proportion to the amount of the disbursement returned. I will not incur interest charges if I return the full loan amount as provided in the Act.

INTEREST

Unless ED notifies me in writing of a lower rate(s), the rate(s) of interest for my loans are those specified in the Act. The rate is presented in the Borrower's Rights and Responsibilities statement accompanying this Note or in another disclosure that is issued to me.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement until the loan is paid in full. I agree to pay all interest charges on my Direct Subsidized Loans. I agree to pay all interest charges on my Direct Unsubsidized Loans. If I fail to make required payments of interest before the beginning or resumption of principal repayment, or during a period of deferment or forbearance, I agree that ED may capitalize such interest, as provided under the Act. There is no federal interest subsidy on unsubsidized loans, so the total amount of interest I am required to repay on unsubsidized loans will be higher than on subsidized loans.

LOAN FEE

A loan fee is charged for each Direct Subsidized Loan and Direct Unsubsidized Loan equal to the amount required by the Act. I will pay such fee as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loans. I understand the loan fees may be refundable only to the extent permitted by the Act.

LATE CHARGES AND COLLECTION COSTS

ED may collect from me: (i) a late charge for each late installment payment if I fail to make any part of a required installment payment within 30 days after it becomes due, and (ii) any other charges and fees that are permitted by the Act for the collection of my loans. If I default on any loans, I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

REPAYMENT

I am obligated to repay the full amount of the loans made under this Note and accrued interest. Direct Subsidized and Unsubsidized Loans have a repayment grace period of 6 months. I will repay the principal of my loans in periodic installments during repayment periods that begin on the day immediately following the end of the applicable grace period. Payments submitted by me or on my behalf (exclusive of refunds) will be applied first to charges and collection costs that are due, then to accrued interest that has not been capitalized, and finally to the principal amount. I understand that the School's certification of my loan eligibility determines whether my loans must be repaid as subsidized and/or unsubsidized Direct Loans.

The Direct Loan Servicing Center will provide me with a repayment schedule that identifies my payment amounts and due dates. **Direct Loan repayment information is covered in the Borrower's Rights and Responsibilities statement.**

If I am unable to make my scheduled loan payments, ED may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called forbearance.

I agree that ED may align payment dates on my loans or may grant me forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, ED will determine how to apply the prepayment in accordance with the Act. Upon repayment in full of each loan under this Note, I agree to accept written notification of such loan payoff in place of receiving the original Note.

ACCELERATION AND DEFAULT

At the option of ED, the entire unpaid balance of the applicable loans shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as at least a half-time student at the School that certified my loan eligibility, (ii) I fail to use the proceeds of the loans solely for educational expenses, (iii) I make a false representation(s) that results in my receiving any loans for which I am not eligible, or (iv) I default on the loans.

The following events shall constitute a default on my loans: (i) I fail to pay the entire unpaid balance of the applicable loans after ED has exercised its option under items (i), (ii), and (iii) in the preceding paragraph; (ii) I fail to make installment payments when due, provided my failure has persisted for at least 270 days; or (iii) I fail to comply with other terms of the loans, and ED reasonably concludes I no longer intend to honor my repayment obligation. If I default, ED may capitalize all the outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, the default will be reported to all national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the Borrower's Rights and Responsibilities statement. Following default, the loans may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

GOVERNING LAW AND NOTICES

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended (20 U.S.C. 1070 *et seq.*), and other applicable federal statutes and regulations.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address ED has for me. I will immediately notify ED of a change of address or status as specified in the Borrower's Rights and Responsibilities statement.

Failure by ED to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of ED. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Notice: Applicable to Loans Received After the Initial Enrollment Period

This Master Promissory Note authorizes ED to disburse multiple loans during the multi-year term of this Note upon my request and upon the school's certification of my loan eligibility.

Subsequent loans may be made under this Note for subsequent periods of enrollment only at four-year or graduate schools, or other schools, as designated by the Secretary of the U.S. Department of Education. I agree that no subsequent loans will be made under this Note after the earliest of the following dates: (i) the date ED receives my written notice that no further loans may be disbursed under the Note;

(ii) one year after the date of my first anticipated disbursement on this Note if no disbursement is made during such twelve month period; or (iii) ten years after the date of the first anticipated disbursement made under this Note.

Any amendment to the act governs the terms of any loans disbursed on or after the effective date of such amendment, and such amended terms are hereby incorporated into this Master Promissory Note.

Direct Loans

William D. Ford Federal Direct Loan Program

Master Promissory Note William D. Ford Federal Direct Loan Program Instructions and Notices

OMB No. 1845-0007
Form Approved
Exp. Date 08/31/2002

Federal Direct Stafford/Ford Loan Federal Direct Unsubsidized Stafford/Ford Loan

Instructions for Completing Promissory Note

This is a Master Promissory Note under which you may receive multiple Direct Subsidized Loans and Direct Unsubsidized Loans over a maximum ten year period.

Section A: To Be Completed By The Borrower

Use blue or black ink ball point pen or typewriter. Do not complete this form in pencil.

Section A must be completed by the student who is applying to be a borrower of a Federal Direct Stafford/Ford Loan (Direct Subsidized Loan) and/or a Federal Direct Unsubsidized Stafford/Ford Loan (Direct Unsubsidized Loan). Items 1 and 2 and Items 4 through 6 may have been preprinted on the Promissory Note by the school certifying your loan, if you provided this information on your Free Application for Federal Student Aid (FAFSA). You should review all the questions and responses and enter information for any items that are not preprinted. Cross out any incorrect information and print the correct information. Incorrect or incomplete information may cause your loan to be delayed.

All references to "you" mean the student borrower.

Item 1: Enter the two-letter abbreviation for the state that issued your current driver's license followed by the driver's license number. If you do not have a current driver's license, enter the letters "N/A."

Item 2: Enter your nine-digit Social Security Number. If this item has been completed for you, review it for correctness. If it is incorrect, cross out the entire incorrect number and print the entire correct Social Security Number in this box. Your loan(s) cannot be processed without your Social Security Number. Read the Privacy Act and the Financial Privacy Act Notices below before completing this item.

Item 3: Enter your e-mail address if you have one.

Item 4: Enter your last name, then your first name and middle initial. Enter your permanent street address, apartment number, city, state, and zip code.

Item 5: Enter the month, day, and four-digit year of your birth. Use only numbers. Be careful not to enter the current year.

Item 6: Enter the area code and telephone number for the address listed in Item 1. If you do not have a telephone, enter "N/A."

Item 7: Enter the requested reference information for two adults who do not share a common address. The first reference should be a parent or legal guardian. References with addresses outside the United States are not acceptable. Provide relationship of references to you.

Item 8: Your school will notify you of the amount of Direct Subsidized and Direct Unsubsidized Loans you are eligible to receive for this and subsequent academic periods. You may decline a loan or request a lower amount by contacting your school. Additional information is included under "Loan Cancellation" in the Borrower's Rights and Responsibilities statement.

Items 12, 13, and 14: Read these items carefully.

Items 15 and 16: After reviewing the terms of the Promissory Note, you must sign your full legal name, in blue or black ink, and enter the date you signed this Promissory Note.

By signing, you:

A) Acknowledge that you have read, understand, and agree to the provisions in the Master Promissory Note including the Borrower Certifications and Authorizations and the Borrower's Rights and Responsibilities statement.

B) Agree to repay the loan(s) in full according to the items and conditions in the Master Promissory Note.

Section B: To Be Completed By The School

These three items must be completed by the school.

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you. The authority for collecting the information requested on this form is §451 et seq., of the Higher Education Act of 1965, as amended. Your disclosure of this information is voluntary. However, if you do not provide this information, you cannot be considered for a Direct Subsidized Loan and/or Direct Unsubsidized Loan made under the William D. Ford Federal Direct Loan (Direct Loan) Program. The principal purposes for collecting this information are to process your Direct Subsidized Loan and/or Direct Unsubsidized Loan, to document your agreement to repay this loan, and to identify and locate you if it is necessary to enforce this loan. The information in your file may be disclosed to third parties as authorized under routine uses in the Privacy Act notices called "Title IV Program Files" (originally published on April 12, 1994, Federal Register, Vol. 59, p. 17351) and "National Student Loan Data System" (originally published on December 20, 1994, Federal Register, Vol. 59, p. 65532). Thus, this information may be disclosed to federal and state agencies, private parties such as relatives, present and former employers and creditors, and contractors of the Department of Education for purposes of administration of the student financial assistance programs, for enforcement purposes, for litigation where such disclosure is compatible with the purposes for which the records were collected, for use by federal, state, local, or foreign agencies in connection with employment matters or the issuance of a license, grant, or other benefit, for use in any employee grievance or discipline proceeding in which the Federal Government is a party, for use in connection with audits or other investigations, for research purposes, for purposes of determining whether particular records are required to be disclosed under the Freedom of Information Act and to a Member of Congress in response to an inquiry from the congressional office made at your written request.

Because we request your social security number (SSN), we must inform you that we collect your SSN on a voluntary basis, but section 484(a)(4) of the HEA (20 U.S.C. 1091(a)(4)) provides that, in order to receive any grant, loan, or work assistance under Title IV of the HEA, a student must provide his or her SSN. Your SSN is used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) so that data may be recorded accurately.

Financial Privacy Act Notice.

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), ED will have access to financial records in your student loan file maintained in compliance with the administration of the Direct Loan Program.

Paperwork Reduction Notice.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collections is 1845-0007. The time required to complete this information collection is estimated to average 1.0 hour (60 minutes) per response, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. **If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving the form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to:**

School Relations
U.S. Department of Education
Loan Origination Center
P.O. Box 5692
Montgomery, Alabama 36103-5692

Direct Loans

William D. Ford Federal Direct Loan Program

William D. Ford Federal Direct Loan Program Federal Direct Stafford/Ford Loans and Federal Direct Unsubsidized Stafford/Ford Loans Borrower's Rights and Responsibilities

Important Notice: Please retain this statement because it applies to present and subsequent loans received under the Master Promissory Note. You may contact the Direct Loan Servicing Center at any time for another copy of this statement.

The William D. Ford Federal Direct Loan (Direct Loan) Program includes the following loans:

- Federal Direct Stafford/Ford Loans (Direct Subsidized Loans).
- Federal Direct Unsubsidized Stafford/Ford Loans (Direct Unsubsidized Loans).
- Federal Direct PLUS Loans (Direct PLUS Loans), and
- Federal Direct Consolidation Loans (Direct Consolidation Loans).

The Direct Loan Program is authorized by Title IV, Part D of the Higher Education Act of 1965, as amended.

1. Governing Law - Loans disbursed under this Master Promissory Note ("Note") are subject to the Higher Education Act of 1965, as amended (20 U.S.C. 1070 *et seq.*) and applicable U. S. Department of Education (ED) regulations (collectively referred to as the "Act"). **NOTE:** Any amendment to the Act governs the terms of any loans disbursed on or after the effective date of such amendment.

2. Use of this Note - I may receive multiple loans under this Note over a maximum ten-year period. Whether I may receive loans under this Note for only one academic period, or for multiple academic periods, depends on the school I am attending. I may receive loans under this Note, even if I change my school (provided the school is authorized to certify subsequent loans under this Note). I must sign a new Note if I do not wish to receive multiple loans from ED under this Note.

3. Subsidized and Unsubsidized Loans - There are two types of Direct Loans that I may be eligible for under this Note: Direct Subsidized and Direct Unsubsidized Loans. Eligibility for a Direct Subsidized Loan is based on need. If I qualify, ED does not charge interest on my Direct Subsidized Loans while I am in school, and during grace and deferment periods. I am otherwise responsible for interest that accrues on my Direct Unsubsidized Loan. The Direct Unsubsidized Loan is not based on need. I am responsible for all interest that accrues on my Direct Unsubsidized Loans.

4. Maximum Program Loan Amounts - Under the Direct Subsidized and Unsubsidized Loans Programs, I may borrow up to - but no more than - the dollar amounts shown in the chart on this page (Direct Loan Program Loan Maximums). I am subject to the limits of these loan amounts on the basis of the following:

- My academic level (freshman, sophomore, etc.).
- My status as a dependent student or independent student.
- The length of the academic program in which I am enrolled.

Direct Loan Program Loan Maximums¹

DEPENDENT UNDERGRADUATES ²	ANNUAL LIMITS	
	Subsidized	Total (Subsidized & Unsubsidized) ³
First Year	\$2,625	\$2,625
Second Year	\$3,500	\$3,500
Third Year and Beyond	\$5,500	\$5,500
INDEPENDENT UNDERGRADUATES (and dependents whose parents are unable to borrow under the PLUS program)		
First Year	\$2,625	\$6,625
Second Year	\$3,500	\$7,500
Third Year and Beyond	\$5,500	\$10,500
GRADUATE AND PROFESSIONAL STUDENTS		
AGGREGATE LIMITS ³		
DEPENDENT UNDERGRADUATES	\$23,000	\$23,000
INDEPENDENT UNDERGRADUATES (and dependents whose parents are unable to borrow under the PLUS program)	\$23,000	46,000
GRADUATE AND PROFESSIONAL STUDENTS	\$65,500	\$138,500

¹ Certain health professions students may qualify for higher limits.

² All undergraduate annual loan limits are subject to proration.

³ If the borrower does not have financial need for a Subsidized Loan using expected family contribution (EFC), or has reached the aggregate limit in Subsidized Loans, the borrower may receive up to this entire amount in Unsubsidized Loans assuming he or she has remaining eligibility for the loan.

- The length of the remainder of my undergraduate program of study, if it is less than one academic year, and
- As otherwise authorized by the Act.

5. Maximum Individual Loan Limits - For each academic period, my school determines the maximum loan amount I am eligible to receive by considering the factors in Section 4 above and other factors such as my Cost of Attendance, Expected Family Contribution, and other financial aid awarded to me. My school will determine first my eligibility for a Direct Subsidized Loan, and then for a Direct Unsubsidized Loan.

If I have received student loans from other federal student loan programs, I am responsible for informing my school of my other student loans. In some cases, I may not be eligible for loans for which I have applied.

6. Use of Loan Money - I must use the loan money for authorized educational expenses for attendance at the school that certified my eligibility for the time period shown on my disclosure statement. Authorized expenses include the following:

- Tuition.
- Room.
- Board.
- Institutional fees.
- Books.
- Supplies.
- Equipment.
- Dependent child care.
- Transportation.
- Commuting expenses.
- Rental or purchase of a personal computer.
- Loan fee, and/or
- Other documented, authorized costs.

7. Disbursement of Loan Money - Generally, my loan money will be disbursed in multiple installments based on the academic terms at my school. If my school does not have academic terms, my money will generally be disbursed in at least two installments, one at the beginning and one at the midpoint of my enrollment period for the applicable loans.

Loan money may be credited to my account at my school or disbursed by a check or other means made payable to me. The Direct Loan Servicing Center will notify me of each loan disbursement reported by the school.

If this is my first student loan under either the Direct Loan Program or the Federal Family Education Loan (FFEL) Program, I must receive entrance counseling before the first disbursement of my Direct Subsidized or Direct Unsubsidized Loans can be made.

8. Change of Status - I must notify my school and the Direct Loan Servicing Center of certain changes

I must notify my school's financial aid office if any of the following events take place:

- I reduce my enrollment status to less than half time.
- I withdraw from school.
- I stop attending classes.
- I fail to re-enroll for any term.
- I have a change in my expected graduation date, and/or
- I change my name, local address, permanent address, or e-mail address.

Shortly before my enrollment ends, I must participate in exit counseling with my school, during which I will update my loan records about my:

- Permanent address, e-mail address.
- Telephone number.
- Future employer, and
- References.

I must notify ED of a particular loan if I fail to enroll with respect to such loan:

- At least half time for the loan period certified, or
- At the school that certified my eligibility.

I must promptly notify the Direct Loan Servicing Center if any of the following events occur before my loans are repaid:

- I change my address or telephone number.
- I change my name (for example, maiden name to married name).
- I withdraw from school or begin attending less than half time.
- I transfer from one school to another school.
- I change my employer or my employer's address or telephone number changes, and/or
- I have any other change in status that would affect my loan (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

9. Effect of Loans on Other Student Aid - Federal law requires that before I receive a Direct Loan, my school must receive a determination of my Pell Grant eligibility. Also, because a Direct Unsubsidized Loan is more expensive to borrow than a Direct Subsidized Loan, my school must determine my

my Direct Subsidized Loan eligibility before I am offered a Direct Unsubsidized Loan.

10. Grace Period - I will receive a 6-month grace period before the first payment of my Direct Subsidized or Direct Unsubsidized Loan must be made. The grace period begins the day after I cease to be enrolled at least half time at an eligible school.

My grace period does not include any period up to 3 years during which I am called or ordered to active duty for more than 30 days from a reserve component of the Armed Forces of the United States, including the period necessary for me to resume enrollment at the next available regular enrollment period.

11. Repayment - All of my loans made under this Note must be repaid. I may be charged a loan fee for each such loan. The amount of this fee will be deducted proportionately from each disbursement.

The repayment period for my loans begins the day after my 6-month grace period ends. My first payment will be due within 60 days after my grace period ends. The Direct Loan Servicing Center will notify me of the date my first payment is due.

I must make payments on my loans even if I do not receive a bill or repayment notice. Billing information is sent to me as a convenience, and I am obligated to make payments even if I do not receive any notice.

I will be given the opportunity to choose one of the following repayment plans (for the following repayment plans, the time limits shown do not include periods of deferment and forbearance):

• **Standard Repayment Plan** - If I choose this plan, I will make fixed monthly payments and repay my loan in full within 10 years from the date the loan entered repayment. Payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of the payments may need to be adjusted to reflect annual changes in the variable interest rate.

• **Extended Repayment Plan** - If I choose this plan, I will make fixed monthly payments and repay my loan in full within 12 to 30 years, depending on the total amount of my loan. Payments must be at least \$50 a month and will be more, if necessary, to repay the loan within the required time period. The number or amount of payments may need to be adjusted to reflect annual changes in the variable interest rate.

• **Graduated Repayment Plan** - If I choose this plan, I will usually make lower monthly payments at first, and my payments will gradually increase over time. I will repay my loan within 12 to 30 years, depending on the total amount of the loan. Payments must cover interest charges and can never be less than 50 percent or more than 150 percent of the amount I would have paid under the Standard Repayment Plan. The number or amount of the payments may need to be adjusted to reflect annual changes in the variable interest rate.

• **Income Contingent Repayment Plan** - If I choose this plan, my monthly repayment amount is based on the total amount of my loan, my family size, and my Adjusted Gross Income (and that of my spouse if I am married). As my income changes, my repayment amount may change. If I have not repaid my loan after 25 years under this plan, the unpaid portion of this plan is forgiven. I may have to pay income tax on any amount forgiven.

These repayment plans will be explained in more detail during my exit counseling session. If I do not choose one of the plans, ED will choose a plan for me in accordance with its regulations. However, if I demonstrate to ED's satisfaction that the terms and conditions of the repayment plans are not adequate to accommodate my exceptional circumstances, ED may provide an alternative repayment plan.

There will be no penalty for prepaying any portion of my loans.

All payments and prepayments will be applied in the following order: late charges, fees, and collection costs first, outstanding interest second, and outstanding principal last.

If I fail to make any part of an installment payment within 30 days after it becomes due, I may owe a late charge. This charge may not exceed six cents for each dollar of each late installment.

12. Interest Rates - For Direct Subsidized and Direct Unsubsidized Loans first disbursed on or after July 1, 1998, the interest rate will be a variable rate, adjusted annually on July 1, not to exceed 8.25%. The interest rate formula and the actual interest rate applicable to each of my loans will be disclosed to me. After reviewing the actual interest rate, I may cancel or reduce this loan in accordance with Section 14.

13. Payment of Interest - ED will not charge interest on my Direct Subsidized Loan prior to the beginning of my repayment period or during authorized deferment periods. ED will charge interest on my Direct Subsidized Loan during a forbearance period.

Interest will not be capitalized if ED grants me a forbearance for Direct Subsidized Loans and Direct Unsubsidized Loans for a period not to exceed 60 days following my request for a deferment, forbearance, change in repayment plan, or request to consolidate loans.

ED will charge interest on my Direct Unsubsidized Loan during all periods.

It is my responsibility to pay the interest charged on the principal amount of my loans. I must pay any interest charged during an authorized period of deferment or forbearance prior to the end of that period, or it will be capitalized (added to the loan principal), as provided under the Act. If I choose to have the interest capitalized, the total cost of my loan will increase. Capitalized interest increases the principal balance of my loans and the total amount of interest costs I incur. Capitalization occurs when

my loans enter or resume repayment. Interest payments are established by ED, in accordance with the Act. (See the section below entitled, "Capitalization of Direct Loan Interest", for further information on capitalization.)

The chart entitled "Repaying My Loans", allows me to estimate my monthly payments as well as my total loan payments. By locating the initial debt amount (first column on the chart) that most closely matches my total loan(s) and by selecting a repayment plan, I will be able to determine my monthly as well as my total loan payments. If my exact loan amount is not on the chart, I may choose an amount higher than my loan(s) amount to estimate my payment. I understand that the information on the chart is for estimation only and my actual repayment amount may be different.

The Taxpayer Relief Act of 1997 may allow me to claim a federal income tax deduction for interest payments I make on Direct Loans for the first 60 months (whether consecutive or not) that such loans are in repayment.

The deduction applies to interest payments I make on or after January 1, 1998. For further information, I may refer to the IRS Publication 970, which is available at <http://www.irs.us/treas.gov>.

14. Loan Cancellation - I understand that the terms of a full or partial loan cancellation depend on when I request the cancellation.

At any time before my loan money is disbursed, I may decline all or part of my loan money by notifying my school. No loan fee or interest will be charged on the amount of the loan that is cancelled.

- If my school credits my loan to my student account, I may cancel all or a part of my loan by informing my school within 14 days after the date my school sends me a disbursement notice.

or by the first day of the school's payment period, whichever is later. (My school can tell me the first day of the payment period). If I cancel all or a portion of my loan as described in this paragraph, my school will return to ED the cancelled amount of the loan money and the loan fee will be reduced or eliminated in proportion to the amount returned.

- **At any time within 120 days of disbursement**, I may pay back all or a part of my loan. The loan fee will be reduced or eliminated in proportion to the amount returned.

15. Loan Discharge - My loans will be discharged if documentation of my death is submitted to the Direct Loan Servicing Center. My loans also may be discharged if I become totally and permanently disabled. An application for loan discharge must be submitted to the Direct Loan Servicing Center, and documentation verifying the total and permanent disability must be certified by my doctor. Upon request, the Direct Loan Servicing Center will provide me with an application for loan discharge that explains the requirements for discharge of my loans. ED will not approve a request for discharge on the basis of total and permanent disability for a condition that existed at the time I applied for this loan unless my doctor certifies that the condition substantially deteriorated after the loan was made.

My loan will not automatically be discharged in bankruptcy. In order to discharge a loan in bankruptcy, I must prove undue hardship in an adversary proceeding before the bankruptcy court.

In certain cases, the Act provides for loan discharge for borrowers who are unable to complete a course of study because the institution closes, or borrowers whose loan eligibility was falsely certified by the institution. The Act also provides for loan

discharge in the amount of any required refund that my school failed to make.

ED does not vouch for the quality or suitability of the academic programs offered by participating schools. Unless I qualify for loan discharge under the Act, I must repay the loans even if I do not complete my education, I am unable to obtain employment in my field of study, or I am dissatisfied with, or do not receive, the education I paid for with the loans.

In addition, I may assert, in certain proceedings before ED, that I have a defense against repayment of a Direct Loan. ED may recognize as a defense against repayment an act or omission by the school that I am attending that would give rise to a legal cause of action against a school under applicable state law, as long as that act or omission directly relates to this loan or to the school's provision of educational services for which this loan is provided.

16. Consequences of Default - Default is defined in detail in my Note. If I default, the entire unpaid balance and collection fees on the applicable loans will become immediately due and payable. Failure to repay loans made under this Note may result in any or all of the following:

- Loss of federal income tax refunds,
- Legal action against me,
- Collection charges (including attorney fees) being assessed against me,
- Loss of eligibility for other student aid and assistance under most federal benefit programs,
- Loss of eligibility for loan deferments,
- Negative credit reports to credit bureaus, and/or
- My employer withholding part of my wages to give them to ED (administrative wage garnishment).

Capitalization of Direct Loan Interest

What is Capitalization?

Capitalization is a process where ED adds unpaid interest to the principal balance of a loan. You are responsible for paying the interest due on your loan as described in Item 3 of this Borrower's Rights and Responsibilities Statement.

If you fail to make required interest payments before the beginning or resumption of principal repayment, or if you are granted a deferment (on a Direct Unsubsidized Loan) or forbearance, ED may capitalize such interest, as provided under the Act. The principal balance of your loan will increase each time ED capitalizes unpaid interest. As a result, you will pay more interest charges over the life of the loan. When you leave school and begin repaying your loan, your monthly payment amount will be higher or, if your loan is subject to the \$50 minimum payment, you will make more payments.

Contact the Direct Loan Servicing Center if you have questions or need more information.

This chart compares the monthly payments on Direct Unsubsidized Loans where interest is paid while the borrower is in school and loans where the interest is capitalized. This example uses the maximum interest rate for student loans, 8.25 percent. **This is an estimate only.** The actual interest capitalized will depend on factors such as disbursement date, number of disbursements, and the variable interest rate.

Treatment of Interest	Loan Amount	Capitalized Interest for 12 months	Principal to be Repaid	Monthly Payment	Number of Payments	Total Amount Repaid
When you pay the interest	\$ 15,000	\$ 0	\$ 15,000	\$ 184	120	\$ 22,077
When you don't pay the interest	\$ 15,000	\$ 1,350	\$ 16,350	\$ 201	120	\$ 24,064
 Result: During repayment, you pay \$17 less per month and \$1,987 less over the life of your loan(s) when you pay the interest as it is charged.						

17. Credit Bureau Notification - Information concerning the amount, disbursement, and repayment status (current or delinquent) of loans will be reported to one or more national credit bureau organizations on a regular basis. If I default on any loans made under this Note, that default also will be reported to national credit bureaus. I will be notified at least 30 days in advance that default information will be disclosed to a credit bureau unless I enter into a repayment arrangement within 30 days of the date on the notice. I will be given a chance to ask for a review of the debt(s) before the default is reported. ED must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information ED has reported.

18. Special Repayment Arrangements -

- A Direct Consolidation Loan Program is available under which I (or my spouse and I jointly) may consolidate one or more federal education loans received under different education loan programs. Consolidation permits multiple debts to be combined into one monthly payment. For additional information on this program, or to apply for a Direct Consolidation Loan, I should contact the Direct Loan Servicing Center.
- Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense in accordance with 10 U.S.C. 2141. Questions should be addressed to the local service recruiter. This is a recruiting program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces.
- In addition, volunteers who complete service in an approved national or community service project can earn an educational award. The award can be used to repay a Direct Loan. If I receive an educational award, I am responsible for providing the Direct Loan Servicing Center with information and documentation regarding my term of service and the award.
- If I am a full-time teacher and at the time I signed this Note I have no outstanding balance on a Title IV loan made before October 1, 1998, I may be eligible for loan forgiveness. ED will repay a fixed amount of my Direct Subsidized Loans and Direct Unsubsidized Loans if I have worked as a full-time teacher for 5 consecutive school years, if I am not in default on any such loan, and if I meet all other eligibility requirements under the Act.
- If I am a child care provider and my first Direct Loan was made to me on or after October 7, 1998, I may qualify for loan forgiveness under a demonstration program set forth in the Act. I understand that I must meet other eligibility requirements under the Act and that this program requires annual federal funding.

19. Deferments - Under certain circumstances, I have a right to (defer) postpone repayment. Upon request, the Direct Loan Servicing Center will provide me with a deferment application that explains the eligibility requirements. If I am in default on my loan(s), I am not eligible for a deferment.

Deferments are available while I am:

- Enrolled at least half time at an eligible school.
- Engaged in a full-time course of study in a graduate fellowship program.
- Engaged in a full-time rehabilitation training program for individuals with disabilities (if the program is approved by ED).
- Conscientiously seeking but unable to find full-time employment (for up to three years), or
- Experiencing an economic hardship as determined by federal law (for up to three years).

The Direct Loan Servicing Center will process an in-school deferment based on (i) my request along with documentation verifying my eligibility, or (ii) the Direct Loan Servicing Center's receipt of information from my school about my eligibility in connection with a new loan, or (iii) the Direct Loan Servicing Center's receipt of student status information indicating that I am enrolled on at least a half-time basis.

In all other cases, I must provide the Direct Loan Servicing Center with a deferment request and evidence that verifies my eligibility.

If at the time I sign this Note, I have an outstanding balance on a FFEL Program Loan (formerly known as GSL) that was made prior to July 1, 1993, additional deferment opportunities may be available. These include deferments while I am:

- Temporarily totally disabled (for up to three years).
- Unable to secure employment because I am required to care for a spouse or dependent who is temporarily totally disabled (for up to three years).
- Serving in the U.S. Armed Forces, the Commissioned Corps of the Public Health Service, the National Oceanic and Atmospheric Administration Corps, or the Peace Corps (for up to three years).
- Serving as a full-time paid volunteer for a tax-exempt organization or an ACTION program (for up to three years).
- In a medical internship or residency program (for up to two years).
- Teaching in a designated teacher shortage area (for up to three years).
- On parental leave (for up to six months).
- A working mother entering or re-entering the workforce (for up to one year).

20. Forbearance - If I am unable to make my scheduled loan payments, ED may allow me to reduce my payment amount, to extend the time for making payments, or to temporarily stop making payments as long as I intend to repay my loan. Allowing me to temporarily delay or reduce loan payments is called a forbearance. Interest charges continue to accrue during a forbearance period.

ED may grant me a forbearance in the following circumstances:

- Financial hardship, and/or
- Illness.

ED may grant me forbearance for up to 60 days in order to collect and process documentation supporting my request for a deferment, forbearance, change in repayment plan, or consolidation.

ED may grant me forbearance to eliminate a delinquency that persists even though I am making scheduled installment payments.

ED will grant me a forbearance in the following circumstances:

- Service in a medical or dental internship or residency program, if I meet specific criteria.
- Service in a national service position for which I receive a national service education award under the National and Community Service Trust Act of 1993. In some cases, the interest that accrues on a qualified loan during the service period will be paid by the Corporation for National and Community Service.
- Qualifying for partial repayment of my loans under the Student Loan Repayment Program, as administered by the Department of Defense.
- A period of time when my monthly debt burden for all of my Title IV loans collectively equals or exceeds 20 percent of my total monthly gross income (for up to three years).

Upon request, the Direct Loan Servicing Center will provide me with forbearance information and a forbearance request form.

Important Notice: Please retain this statement because it applies to present and subsequent loans received under the Master Promissory Note.

Repaying My Loans¹

Initial Debt When You Enter Repayment	Standard		Extended		Graduated		Income Contingent ² Income = \$15,000				Income Contingent ² Income = \$25,000				Income Contingent ² Income = \$45,000			
							Single		Married/HOH ³		Single		Married/HOH ³		Single		Married/HOH ³	
	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total	Per Month	Total
1,000	50	1,079	50	1,079	25	1,175	7	2,340	7	2,235	9	1,805	9	1,855	11	1,533	11	1,548
2,500	50	3,074	50	3,074	25	4,029	17	5,849	17	5,587	23	4,512	22	4,662	28	3,832	28	3,870
2,625	50	3,266	50	3,266	25	4,276	18	6,142	17	5,866	24	4,737	23	4,896	29	4,024	29	4,063
3,500	50	4,790	50	4,790	25	6,036	24	8,189	23	7,821	32	6,316	30	6,527	39	5,366	39	5,418
5,000	61	7,360	55	7,893	35	8,646	35	11,699	33	11,173	45	9,823	43	9,325	55	7,665	55	7,740
5,500	67	8,095	60	8,682	39	9,513	38	12,869	37	12,290	50	9,926	47	10,257	61	8,432	61	8,514
6,500	80	9,567	71	10,261	46	11,241	45	15,208	43	14,525	59	11,730	56	12,122	72	9,965	72	10,061
7,500	92	11,039	82	11,840	53	12,970	52	17,548	50	16,760	68	13,535	65	13,987	83	11,497	83	11,609
10,000	123	14,718	97	17,462	69	19,175	69	23,397	66	22,346	91	18,046	86	18,650	111	15,330	110	15,479
10,500	129	15,454	102	18,337	72	20,135	73	24,567	69	23,456	95	18,949	91	19,582	116	16,096	116	16,253
15,000	184	22,078	146	26,194	103	28,782	104	35,096	99	32,484	136	27,070	129	27,974	166	22,995	165	23,219
18,500	227	27,229	179	32,308	127	35,474	116	43,079	99	38,503	168	33,386	159	34,502	205	28,361	204	28,636
20,000	245	29,437	170	40,898	138	44,423	116	46,247	99	40,833	181	36,093	172	37,299	221	30,660	221	30,958
23,000	282	33,852	196	47,034	162	51,125	116	52,090	99	45,089	208	41,507	198	42,894	255	35,259	254	35,602
25,000	307	36,796	213	51,125	172	55,529	116	55,660	99	47,638	227	45,116	215	46,624	278	38,325	276	38,398
30,000	368	44,155	256	61,349	206	66,635	116	63,529	99	53,091	272	54,139	236	57,009	332	45,990	331	46,437
35,000	429	51,514	298	71,574	241	77,742	116	69,987	99	57,352	283	64,894	236	71,647	387	53,665	386	54,177
40,000	491	58,873	315	94,614	275	101,528	116	75,154	99	60,494	283	79,361	236	91,047	443	61,320	441	61,917
45,000	552	66,232	355	106,461	309	114,221	116	79,142	99	62,617	283	97,769	236	116,477	498	68,985	496	69,656
46,000	564	67,704	363	108,827	316	116,760	116	79,775	99	62,914	283	101,933	236	122,519	509	70,518	507	71,204
50,000	613	73,591	394	118,269	344	126,910	116	81,961	99	63,809	283	120,901	236	131,479	556	76,650	552	77,396
60,000	736	88,310	451	162,318	413	171,946	116	84,470	99	64,066	283	155,555	236	153,049	616	93,097	569	96,095
70,000	859	103,028	526	189,371	481	200,601	116	84,484	99	64,066	283	167,103	236	157,775	616	115,222	569	120,696
80,000	981	117,747	601	216,424	550	229,260	116	84,484	99	64,066	283	174,519	236	159,518	616	142,673	569	151,009
90,000	1,104	132,465	676	243,477	619	257,916	116	84,484	99	64,066	283	178,580	236	159,518	616	175,872	569	188,060
100,000	1,227	147,184	751	270,457	688	286,575	116	84,484	99	64,066	283	179,936	236	159,518	616	215,955	569	233,866
110,000	1,349	161,901	826	297,583	756	315,234	116	84,484	99	64,066	283	179,936	236	159,518	616	264,997	569	291,343
120,000	1,472	176,620	902	324,636	825	343,888	116	84,484	99	64,066	283	179,936	236	159,518	616	325,668	569	333,988
130,000	1,594	191,338	977	351,689	894	372,546	116	84,484	99	64,066	283	179,936	236	159,518	616	360,196	569	342,066
138,500	1,699	203,849	1,041	374,684	952	396,909	116	84,484	99	64,066	283	179,936	236	159,518	616	365,556	569	346,764

¹The estimated payments were calculated using the maximum interest rate for students, 8.25.

²This is your beginning payment, which may increase.

³Assumes a 5% annual income growth (Census Bureau).

⁴Assumes a family size of two.

BEST COPY AVAILABLE

204

ALL SCREENS @ 20%

5451-0902-8306

503

Direct Loans

Disclosure Statement William D. Ford Federal Direct Loan Program

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form shall be subject to penalties which may include fines, imprisonment, or both, under the U.S. Criminal Code and 20 U.S.C. 1097

William D. Ford Federal Direct Loan Program

Federal Direct Stafford/Ford Loan
Federal Direct Unsubsidized Stafford/Ford Loan

Borrower Information	
1. Name (last, first, middle initial) and Address (street, city, state, zip code)	2. Identification Number(s)
3. Area Code/Telephone Number	
School Information	
4. School Name	
5. School Address (street, city, state, zip code)	6. School Code/Branch
Loan Information	
7. Loan Period From: MM/DD/YYYY To: MM/DD/YYYY	8. Date of This Disclosure Statement (MM/DD/YYYY)

THIS DISCLOSURE STATEMENT REPLACES ANY PREVIOUS DISCLOSURES YOU RECEIVED FOR YOUR LOAN(S).

IF YOU HAVE ANY QUESTIONS ABOUT THIS STATEMENT OR YOUR PROMISSORY NOTE, CONTACT YOUR SCHOOL.

The total of the **Loan Amount** for both Direct Subsidized Loans and Direct Unsubsidized Loans is the total principal amount certified by your school on the loan(s) as of the date of this Disclosure Statement. The **Net Disbursement Amount** reflects the amount you will actually receive after loan fees are deducted.

For terms applicable to the loan(s), please refer to the Master Promissory Note and the Borrower's Rights and Responsibilities Statement. **YOU WILL BE NOTIFIED BY YOUR SCHOOL AND BY THE DIRECT LOAN SERVICING CENTER WHEN DISBURSEMENTS ARE MADE BEFORE DISBURSEMENTS ARE MADE YOU MUST HAVE SIGNED A PROMISSORY NOTE.**

IF YOU DO NOT WANT ALL OR A PORTION OF ANY DISBURSEMENTS REFLECTED ON THIS DISCLOSURE, YOU MAY DECLINE THE LOAN(S) OR REDUCE THE AMOUNT OF THE LOAN(S) BY NOTIFYING YOUR SCHOOL IN WRITING OR BY RETURNING THE FUNDS WITHIN THE FOLLOWING TIMEFRAMES:

IF YOUR SCHOOL CREDITS YOUR LOAN(S) TO YOUR STUDENT ACCOUNT, YOU MAY CANCEL ALL OR A PORTION OF THE LOAN(S) BY INFORMING YOUR SCHOOL WITHIN 14 DAYS AFTER THE DATE YOUR SCHOOL SENDS YOU A DISBURSEMENT NOTICE, OR BY THE FIRST DAY OF THE PAYMENT PERIOD, WHICHEVER IS LATER. (YOUR SCHOOL CAN TELL YOU THE FIRST DAY OF YOUR PAYMENT PERIOD.)

YOU MUST RETURN ANY FUNDS RECEIVED WITHIN 120 DAYS OF DISBURSEMENT TO AVOID INCURRING INTEREST CHARGES AND LOANS FEES. (THE LOAN FEE WILL BE REDUCED OR ELIMINATED IN PROPORTION TO THE AMOUNT OF THE DISBURSEMENT RETURNED.)

NOTE: THE INTEREST RATE ON THIS LOAN IS VARIABLE

9 The chart below shows anticipated disbursement amounts and dates. Actual amounts and dates may vary.

Keep this document for your records.

Anticipated Disbursement Dates (Month/Day/Year)	Loan Amount	Loan Fee Rate	Loan Fee Amount	Net Disbursement Amount
Direct Subsidized Loan				
Total:				
Direct Unsubsidized Loan				
Total:				

Workshop Case Studies

Case Study	Student	Description
2-1	Bill Donahue	Documenting a computer allowance in cost of attendance
2-2	Harry Springer	Determining eligibility when a drug conviction may be involved
2-3	Kelly Jamie Raphael	Stafford Loan for a program less than 9 months
2-4	Greg Billcorn	Loan proration for remaining periods shorter than academic year
2-5	Penny Jones	Examining loan and campus-based eligibility when Montgomery Bill benefits are involved
3-1	Penny Jones	Calculating the return of Title IV funds for a student attending a two-year community college (semester) and receiving grants (partially disbursed)
3-2	Penny Jones	Treatment of other aid consisting of federal funds when calculating the return of Title IV funds
3-3	Harry Springer	Calculating the return of Title IV funds for a student who received loans, and is attending a proprietary school (clock hour)
3-4	Micki Lake	Calculating the return of Title IV funds for a student receiving loans and grants and attending a proprietary school (clock hours)
3-5	O.P. Rawinfree	Calculating the return of Title IV funds for a student receiving partially-disbursed loans and attending nursing school (clock hours)
3-6	Bill Donahue	Calculating the return of Title IV funds for a student receiving grants and attending a four-year public university (trimesters)
3-7	Kelly Jamie Raphael	Calculating the return of Title IV aid for a student attending a two-year community college (quarters) and receiving loans and grant (no aid disbursed)
3-8	Posie O'Connell	Calculating the return of Title IV funds for a student attending a four-year public university (semesters) and receiving loan and grant funds (fully disbursed)
3-9	Joseanne Carr	Calculating the return of Title IV funds for a student attending a four-year private school (semesters) and receiving loans (partially disbursed)
3-10	Ronnie Desmond	Calculating the return of Title IV funds for a student attending a four-year private school (semesters) and receiving loans and grants (partially disbursed)
4-1	Ronnie Desmond	Using an MPN for a first-time freshman, student loan borrower enrolled at a public, four-year institution that participates in FFELP
4-2	Kelly Jamie Raphael	Using an MPN for a repeat borrower attending a two-year community college
4-3	Joseanne Carr	Using an MPN for a former Direct Loan borrower transferring to a four-year private school that participates in FFELP
4-4	Renaldo DeVera	Using an MPN for a graduate student who borrowed under the Direct Loan program as an undergraduate student
4-5	O.P. Rawinfree	Using an MPN for a first-time freshman, student loan borrower, attending two-year nursing school
4-6	Posie O'Connell	Using an MPN for a student loan borrower who moves up a grade level at mid year and requests an additional loan



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Penny Jones Social Security Number Case Study 3-1

Date Form Completed / / Date of the institution's determination that the student withdrew 10 / 13 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan				<u>\$1,562.50</u>
2. Subsidized FFEL/Direct Stafford Loan			<u>\$750.00</u>	
3. Perkins Loan				
4. FFEL/Direct PLUS				
			5. Pell Grant	
			6. FSEOG	
			7. Other Title IV programs*	

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 750.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 2,312.50

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 10 / 13 / Payment period/period of enrollment start date 8 / 23 / end date 12 / 10 /

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\text{52}}{\text{completed days}} \div \frac{\text{110}}{\text{total days}} = \text{47.3 \%}$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 47.3%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\text{47.3\%}}{\text{Box C}} \times \frac{\text{\$ 2,312.50}}{\text{Box B}} = \text{\$ 1,093.81}$$

D \$ 1,093.81

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\frac{\text{\$ 1,093.81}}{\text{Box D}} - \frac{\text{\$ 750.00}}{\text{Box A}} = \text{\$ 343.81}$$

E \$ 343.81

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\frac{\text{ }}{\text{Box A}} - \frac{\text{ }}{\text{Box D}} = \text{\$.}$$

F \$.

Post-Withdrawal Disbursement Tracking Sheet

Student's Name Penny Jones Social Security Number Case Study 3-1

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet A \$ 343.81

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account B \$ 1,900.00

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ 343.81
- Amount of post-withdrawal disbursement credited for other current charges + \$ 0.00
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ 0.00

Total Amount Credited to Account

C \$ 343.81

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on / /

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent / /

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent F \$ 0.00

G. Notification sent to student and/or parent on / /

H. ☐ Response received from student/parent on / /

☐ Response not received

I. Amount accepted

I \$.

J. Accepted funds sent on / /

Post-Withdrawal Disbursement Made From

Pell Grant	<u>\$343.81</u>	Subsidized FFEL/Direct Stafford Loan	<u> </u>
FSEOG	<u> </u>	Unsubsidized FFEL/Direct Stafford Loan	<u> </u>
Other Title IV programs (grants)	<u> </u>	Perkins Loan	<u> </u>
		FFEL/Direct PLUS	<u> </u>
		Other Title IV programs (loans)	<u> </u>



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Penny Jones Social Security Number Case Study 3-2

Date Form Completed / / Date of the institution's determination that the student withdrew 10 / 13 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	<u>\$1,562.50</u>	
2. Subsidized FFEL/Direct Stafford Loan			6. FSEOG	<u>\$ 750.00</u>	
3. Perkins Loan			7. Other Title IV programs*	<u>\$ 500.00</u>	
4. FFEL/Direct PLUS					

*Do not include PWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A \$ 2,812.50

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment B \$ 2,812.50

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 10 / 13 / Payment period/period of enrollment start date 8 / 23 / end date 12 / 10 /

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\boxed{52} \text{ completed days}}{\boxed{101} \text{ total days}} = \boxed{51.5} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 51.5%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\boxed{51.5\%} \text{ Box C} \times \boxed{\$ 2,812.50} \text{ Box B} = \boxed{\$ 1,448.44} \text{ D}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\boxed{} \text{ Box D} - \boxed{} \text{ Box A} = \boxed{\$ } \text{ E}$$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\boxed{\$2,812.50} \text{ Box A} - \boxed{\$1,448.44} \text{ Box D} = \boxed{\$ 1,364.06} \text{ F}$$

Student's Name Penny JonesSocial Security Number Case Study 3-2**STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL**

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees \$1,000.00 Board _____ Other _____Room _____ Other \$400.00 Other _____Total Institutional Charges **G** \$ 1,400.00

H. Percentage of Title IV aid unearned (100% - Box C) _____

H 48.5%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$1,400.00

X

48.5%

=

Box G

Box H

I \$ 679.00

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount.

J \$ 679.00**STEP 6: Return of Funds by the SCHOOL**

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	_____	5. Pell Grant	<u>\$679.00</u>
2. Subsidized FFEL/Direct Stafford Loan	_____	6. FSEOG	_____
3. Perkins Loan	_____	7. Other Title IV programs	_____
4. FFEL/Direct PLUS	_____		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$1,364.06

-

\$679.00

=

Box F

Box J

K \$ 685.06**STEP 8: Return of Funds by the STUDENT**

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	_____	5. Pell Grant	<u>\$685.06</u>	x 50% =	<u>\$342.53</u>
2. Subsidized FFEL/Direct Stafford Loan*	_____	6. FSEOG	_____	x 50% =	_____
3. Perkins Loan*	_____	7. Other Title IV programs	_____		_____
4. FFEL/Direct PLUS*	_____	(x 50% for grant funds)			

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name Harry Springer Social Security Number Case Study 3-3

Date Form Completed / / Date of the institution's determination that the student withdrew 11 / 5 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan				
2. Subsidized FFEL/Direct Stafford Loan	<u>\$1,000.00</u>			
3. Perkins Loan	<u>\$ 750.00</u>			
4. FFEL/Direct PLUS				
5. Pell Grant				
6. FSEOG				
7. Other Title IV programs*				

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 1,750.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 1,750.00

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date 11 / 1 /

• Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\text{210}}{\text{completed hours}} \div \frac{\text{450}}{\text{total hours}} = \underline{46.7} \%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\text{210}}{\text{completed hours}} \div \frac{\text{250}}{\text{scheduled to complete}} = \underline{84.0} \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\text{250}}{\text{scheduled to complete}} \div \frac{\text{450}}{\text{total hours}} = \underline{55.6} \%$$

*Excused absences do NOT count as completed hours.

C 55.6%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\text{55.6\%}}{\text{Box C}} \times \frac{\text{\$1,750.00}}{\text{Box B}} = \text{\$ 973.00}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. If the amounts in Boxes A and D are equal, STOP. No further action is necessary.

Step 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. Post-withdrawal disbursement. Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

[]	-	[]	=	E	\$.
Box D		Box A			

F. Title IV aid to be returned. Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

\$1,750.00	-	\$973.00	=	F	\$ 777.00
Box A		Box D			

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	\$1,750.00	Board		Other	
Room		Other	\$ 250.00	Other	
Total Institutional Charges					G
					\$ 2,000.00

H. Percentage of Title IV aid unearned (100% - Box C) **H** 44.4%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$2,000.00	X	44.4%	=	I	\$ 888.00
Box G		Box H			

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** \$ 777.00

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan		5. Pell Grant	
2. Subsidized FFEL/Direct Stafford Loan	\$777.00	6. FSEOG	
3. Perkins Loan		7. Other Title IV programs	
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$777.00	-	\$777.00	=	K	\$ 0.00
Box F		Box J			

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return	Initial Amount to Return	Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*		5. Pell Grant	x 50% =
2. Subsidized FFEL/Direct Stafford Loan*		6. FSEOG	x 50% =
3. Perkins Loan*		7. Other Title IV programs	
4. FFEL/Direct PLUS*		(x 50% for grant funds)	

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name Micki Lake Social Security Number Case Study 3-4

Date Form Completed / / Date of the institution's determination that the student withdrew 4/4/

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan	<u>\$1,273.61</u>		5. Pell Grant	<u>\$1,562.50</u>	
2. Subsidized FFEL/Direct Stafford Loan			6. FSEOG	<u>\$ 187.50</u>	
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS			*Do not include FWS.		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A \$ 3,023.61

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment B \$ 3,023.61

STEP 2: Percentage of Title IV Aid Earned

C. • Withdrawal date 4/3/

• Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\text{completed hours } 280}{\text{total hours } 450} = 62.2\%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\text{completed hours}}{\text{scheduled to complete}} = \text{ } \%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\text{scheduled to complete}}{\text{total hours}} = \text{ } \%$$

*Excused absences do NOT count as completed hours.

C 100.0%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{100.0\%}{\text{Box C}} \times \frac{\$3,023.61}{\text{Box B}} = \text{D } \span style="border: 1px solid black; padding: 2px;">\$ 3,023.61$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**



Treatment of Title IV Funds When a Student Withdraws from a Clock Hour Program

Student's Name O.P. Rawinfree Social Security Number Case Study 3-5

Date Form Completed / / Date of the institution's determination that the student withdrew 10 / 22 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan		<u>\$1,940.00</u>		
2. Subsidized FFEL/Direct Stafford Loan	<u>\$1,272.64</u>			
3. Perkins Loan	<u>\$1,500.00</u>			
4. FFEL/Direct PLUS				
5. Pell Grant				
6. FSEOG				
7. Other Title IV programs*				

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 2,772.64

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 4,712.64

STEP 2: Percentage of Title IV Aid Earned

C. •Withdrawal date 10 / 19 /

•Percentage of payment period or period enrollment completed

Calculation 1 – Determine the clock hours completed* in the payment period or period of enrollment divided by the total clock hours in the payment period or period of enrollment

$$\frac{\text{completed hours } 255}{\text{total hours } 675} = 37.8\%$$

If this percentage is greater than 60%, enter 100% in Box C and proceed to Step 3.

If this percentage is less than or equal to 60%, proceed to Calculation 2.

Calculation 2 – Determine the clock hours completed* in the payment period or period of enrollment divided by the clock hours scheduled to be completed as of the date the student withdrew.

$$\frac{\text{completed hours } 255}{\text{scheduled to complete } 405} = 63.0\%$$

If this amount is less than 70%, enter the percentage from Calculation 1 in Box C and proceed to Step 3. If this amount is 70% or greater, determine the clock hours scheduled to be completed as of the date the student withdrew divided by the total clock hours in the payment period or period of enrollment and enter this amount in Box C (this amount may be greater than 60%).

$$\frac{\text{scheduled to complete}}{\text{total hours}} = \text{ } \%$$

*Excused absences do NOT count as completed hours.

C 37.8%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\text{Box C } 37.8\%}{\text{Box B } \$4,712.64} = \text{D } \text{span style="border: 1px solid black; padding: 2px;">\$ 1,781.38$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

Student's Name O.P. Rawinfree Social Security Number Case Study 3-5

Step 4: Total Title IV Aid to be Disbursed or Returned: Continued

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

	-		=	E	\$	
Box D		Box A				

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

\$2,772.64	-	\$1,781.38	=	F	\$	991.26
Box A		Box D				

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees <u>\$7,000.00</u>	Board <u>\$1,100.00</u>	Other <u>\$750.00</u>	
Room <u>\$1,500.00</u>	Other <u>\$ 280.00</u>	Other	
Total Institutional Charges			G \$ 10,630.00

H. Percentage of Title IV aid unearned (100% - Box C) H **62.2%**

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$10,630.00	X	62.2%	=	I	\$	6,611.86
Box G		Box H				

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. J **\$ 991.26**

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant
2. Subsidized FFEL/Direct Stafford Loan	\$991.26		6. FSEOG
3. Perkins Loan			7. Other Title IV programs
4. FFEL/Direct PLUS			

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$991.26	-	\$991.26	=	K	\$	0.00
Box F		Box J				

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*			5. Pell Grant	x 50% =	
2. Subsidized FFEL/Direct Stafford Loan*			6. FSEOG	x 50% =	
3. Perkins Loan*			7. Other Title IV programs		
4. FFEL/Direct PLUS*			(x 50% for grant funds)		

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Bill Donabue Social Security Number Case Study 3-6

Date Form Completed / / Date of the institution's determination that the student withdrew 2 / 10 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan				
2. Subsidized FFEL/Direct Stafford Loan				
3. Perkins Loan				
4. FFEL/Direct PLUS				
5. Pell Grant			\$1,041.67	
6. FSEOG			\$ 700.00	
7. Other Title IV programs*				

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 1,741.67

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 1,741.67

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 2 / 8 / Payment period/period of enrollment start date 1 / 10 / end date 3 / 17 /

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\boxed{30} \text{ completed days}}{\boxed{68} \text{ total days}} = \boxed{44.1} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 44.1%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

44.1%

X

\$ 1,741.67

=

D \$ 768.08

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\boxed{} \text{ Box D} - \boxed{} \text{ Box A} = \text{E } \$ $$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

\$1,741.67

Box A

\$768.08

Box D

=

F \$ 973.59

Student's Name Bill Donabue Social Security Number Case Study 3-6

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	<u>\$900.00</u>	Board	<u>\$400.00</u>	Other	_____	Total Institutional Charges G \$ 1,900.00
Room	<u>\$600.00</u>	Other	_____	Other	_____	

H. Percentage of Title IV aid unearned (100% - Box C) **H** 55.9%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$1,900.00	X	55.9%	=	\$ 1,062.10
Box G		Box H	I	

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** \$ 973.59

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Amount for School to Return	Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan _____	5. Pell Grant <u>\$973.59</u>
2. Subsidized FFEL/Direct Stafford Loan _____	6. FSEOG _____
3. Perkins Loan _____	7. Other Title IV programs _____
4. FFEL/Direct PLUS _____	

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$973.59	-	\$973.59	=	\$ 0.00
Box F		Box J	K	

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

Amount for Student to Return	Initial Amount to Return
1. Unsubsidized FFEL/Direct Stafford Loan* _____	5. Pell Grant _____ x 50% = _____
2. Subsidized FFEL/Direct Stafford Loan* _____	6. FSEOG _____ x 50% = _____
3. Perkins Loan* _____	7. Other Title IV programs _____
4. FFEL/Direct PLUS* _____	(x 50% for grant funds)

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Kelly Jamie Rapbael Social Security Number Case Study 3-7

Date Form Completed / / Date of the institution's determination that the student withdrew 3/2/

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan		<u>\$970.00</u>	5. Pell Grant		<u>\$643.75</u>
2. Subsidized FFEL/Direct Stafford Loan		<u>\$636.32</u>	6. FSEOG		
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS			*Do not include FWS.		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A \$ 0.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment B \$ 2,250.07

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 3/2/ Payment period/period of enrollment start date 1/31/ end date 3/28/

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\boxed{32} \text{ completed days}}{\boxed{58} \text{ total days}} = \underline{55.2\%}$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 55.2%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\boxed{55.2\%} \text{ Box C}}{\times} \frac{\boxed{\$ 2,250.07} \text{ Box B}}{=} \text{D } \boxed{\$ 1,242.04}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\frac{\boxed{\$ 1,242.04} \text{ Box D}}{-} \frac{\boxed{\$ 0.00} \text{ Box A}}{=} \text{E } \boxed{\$ 1,242.04}$$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\boxed{} \text{ Box A} - \boxed{} \text{ Box D} = \text{F } \boxed{\$ }$$

Post-Withdrawal Disbursement Tracking Sheet

Student's Name Kelly Jamie Raphael Social Security Number Case Study 3-7

Amount of Post-Withdrawal Disbursement

A. Amount from Box E of "Treatment of Title IV Funds When a Student Withdraws" Worksheet A \$ 1,242.04

Post-Withdrawal Disbursement Credited to Student's Account

B. Total outstanding charges on student's account B \$ 975.00

C. Total amount of post-withdrawal disbursements credited to student's account

- Amount of post-withdrawal disbursement credited for tuition, fees, room and board (if student contracts with the institution) \$ 975.00
- Amount of post-withdrawal disbursement credited for other current charges + \$ 0.00
- Amount of post-withdrawal disbursement credited for minor prior year charges + \$ 0.00

Total Amount Credited to Account C \$ 975.00

D. Student and/or parent authorization to credit account for other current charges or minor prior year charges (if necessary) obtained on / /

E. If a post-withdrawal disbursement of loan funds is credited to account, date of notification to student and/or parent / /

Post-Withdrawal Disbursement Offered to Student/Parent

F. Total amount of post-withdrawal disbursement (Box A) – amount of post-withdrawal disbursement credited to student's account (Box C) = Total amount to offer to student/parent F \$ 267.04

G. Notification sent to student and/or parent on 3 / 2 /

H. ☐ Response received from student/parent on / /

☐ Response not received

I. Amount accepted I \$.

J. Accepted funds sent on / /

Post-Withdrawal Disbursement Made From

Pell Grant \$643.75 Subsidized FFEL/Direct Stafford Loan \$331.25

FSEOG Unsubsidized FFEL/Direct Stafford Loan

Other Title IV programs (grants) Perkins Loan

FFEL/Direct PLUS

Other Title IV programs (loans)



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Postle O'Connell Social Security Number Case Study 3-8

Date Form Completed / / Date of the institution's determination that the student withdrew 3 / 16 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan			5. Pell Grant	<u>\$1,125.00</u>	
2. Subsidized FFEL/Direct Stafford Loan	<u>\$2,667.50</u>		6. FSEOG		
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS			*Do not include FWS.		

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 3,792.50

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 3,792.50

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 3 / 16 / Payment period/period of enrollment start date 1 / 10 / end date 5 / 10 /

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\boxed{60}}{\text{completed days}} \div \frac{\boxed{115}}{\text{total days}} = \boxed{52.2} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 52.2%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\boxed{52.2\%}}{\text{Box C}} \times \frac{\boxed{\$ 3,792.50}}{\text{Box B}} = \text{D } \boxed{\$ 1,979.69}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\frac{\boxed{\quad}}{\text{Box D}} - \frac{\boxed{\quad}}{\text{Box A}} = \text{E } \boxed{\$ \quad}$$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\frac{\boxed{\$ 3,792.50}}{\text{Box A}} - \frac{\boxed{\$ 1,979.69}}{\text{Box D}} = \text{F } \boxed{\$ 1,812.81}$$

Student's Name Posle O'Connell Social Security Number Case Study 3-8

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees \$1,875.00 Board \$1,100.00 Other _____
 Room \$1,400.00 Other \$ 400.00 Other _____

Total Institutional Charges G \$ 4,775.00

H. Percentage of Title IV aid unearned (100% - Box C) _____

H 47.8%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$4,775.00

X

47.8%

=

Box G

Box H

I

\$ 2,282.45

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount.

J

\$ 1,812.81

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

	Amount for School to Return		Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan	_____	5. Pell Grant	_____
2. Subsidized FFEL/Direct Stafford Loan	<u>\$1,812.81</u>	6. FSEOG	_____
3. Perkins Loan	_____	7. Other Title IV programs	_____
4. FFEL/Direct PLUS	_____		

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$1,812.81

-

\$1,812.81

=

Box F

Box J

K

\$ 0.00

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

	Amount for Student to Return		Initial Amount to Return		Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan*	_____	5. Pell Grant	_____	x 50% =	_____
2. Subsidized FFEL/Direct Stafford Loan*	_____	6. FSEOG	_____	x 50% =	_____
3. Perkins Loan*	_____	7. Other Title IV programs	_____		_____
4. FFEL/Direct PLUS*	_____	(x 50% for grant funds)			

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Joseanne Carr Social Security Number Case Study 3-9

Date Form Completed / / Date of the institution's determination that the student withdrew 10 / 14 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed		Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan		<u>\$ 727.50</u>	5. Pell Grant		
2. Subsidized FFEL/Direct Stafford Loan	<u>\$ 970.00</u>		6. FSEOG		
3. Perkins Loan			7. Other Title IV programs*		
4. FFEL/Direct PLUS	<u>\$5,335.00</u>				

*Do not include FWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment

A \$ 6,305.00

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment

B \$ 7,032.50

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 10 / 1 / Payment period/period of enrollment start date 9 / 9 / end date 12 / 22 /

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\text{23}}{\text{completed days}} \div \frac{\text{105}}{\text{total days}} = \text{21.9} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 21.9%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

21.9%

X

\$ 7,032.50

=

Box C

Box B

D

\$ 1,540.12

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. **If the amounts in Boxes A and D are equal, STOP. No further action is necessary.**

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

-

=

Box D

Box A

E

\$.

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

\$6,305.00

-

\$1,540.12

=

Box A

Box D

F

\$ 4,764.88

Student's Name Joanne Carr Social Security Number Case Study 3-9

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	<u>\$5,500.00</u>	Board	_____	Other	_____	Total Institutional Charges G \$ 5,500.00
Room	_____	Other	_____	Other	_____	

H. Percentage of Title IV aid unearned (100% - Box C) **H** 78.1%

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$5,500.00	X	78.1%	=	\$ 4,295.50
Box G		Box H		I

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount. **J** \$ 4,295.50

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Amount for School to Return	Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan _____	5. Pell Grant _____
2. Subsidized FFEL/Direct Stafford Loan <u>\$ 970.00</u>	6. FSEOG _____
3. Perkins Loan _____	7. Other Title IV programs _____
4. FFEL/Direct PLUS <u>\$3,325.50</u>	

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$4,764.88	-	\$4,295.50	=	\$ 469.38
Box F		Box J		K

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

Amount for Student to Return	Initial Amount to Return	Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan* _____	5. Pell Grant _____	x 50% = _____
2. Subsidized FFEL/Direct Stafford Loan* _____	6. FSEOG _____	x 50% = _____
3. Perkins Loan* _____	7. Other Title IV programs _____	
4. FFEL/Direct PLUS* <u>\$469.38</u>	(x 50% for grant funds)	

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.



Treatment of Title IV Funds When a Student Withdraws from a Credit Hour Program

Student's Name Ronnie Desmond Social Security Number Case Study 3-10

Date Form Completed / / Date of the institution's determination that the student withdrew 3 / 20 /

Period used for calculation (check one) ☒ payment period ☐ period of enrollment

Monetary amounts should be in dollars and cents (rounded to the nearest penny). Round to three decimal places when calculating percentages. For example, .4486 would be .449, or 44.9%.

STEP 1: Student's Title IV Aid Information

	Net Amount Disbursed	Net Amount That Could Have Been Disbursed	Amount Disbursed	Amount That Could Have Been Disbursed
1. Unsubsidized FFEL/Direct Stafford Loan				
2. Subsidized FFEL/Direct Stafford Loan		<u>\$557.75</u>		
3. Perkins Loan				
4. FFEL/Direct PLUS				
5. Pell Grant			<u>\$1,562.50</u>	
6. FSEOG			<u>\$1,000.00</u>	
7. Other Title IV programs*				

*Do not include PWS.

A. Total Title IV aid disbursed (NOT aid that could have been disbursed) for the payment period or period of enrollment A \$ 2,562.50

B. Total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment B \$ 3,120.25

STEP 2: Percentage of Title IV Aid Earned

C. • If school is not required to take attendance and student withdrew without notification, enter 50% in Box C and proceed to Step 3 OR school may enter a last date of attendance at an academically-related activity for "withdrawal date" and proceed from there.

• Withdrawal date 3 / 20 / Payment period/period of enrollment start date 1 / 13 / end date 5 / 5 /

• Percentage of payment period or period enrollment completed

Determine the calendar days completed in the payment period or period of enrollment divided by the total calendar days in the payment period or period of enrollment (exclude scheduled breaks of 5 days or more AND days that a student was on approved leaves of absence).

$$\frac{\boxed{68} \text{ completed days}}{\boxed{114} \text{ total days}} = \boxed{59.6} \%$$

If this amount is less than or equal to 60%, enter this amount in Box C. If this amount is greater than 60% (with or without rounding), enter 100% in Box C.

C 59.6%

Step 3: Amount of Title IV Aid Earned by the Student

D. Percentage of Title IV aid earned (Box C) x the total of Title IV aid disbursed plus the Title IV aid that could have been disbursed for the payment period or period of enrollment (Box B)

$$\frac{\boxed{59.6\%} \text{ Box C}}{\times} \frac{\boxed{\$3,120.25} \text{ Box B}}{=} \text{D } \boxed{\$ 1,859.67}$$

Step 4: Total Title IV Aid to be Disbursed or Returned

If the amount in Box D is greater than the amount in Box A, go to item E. If the amount in Box A is greater than the amount in Box D, go to item F. If the amounts in Boxes A and D are equal, STOP. No further action is necessary.

E. **Post-withdrawal disbursement.** Subtract Title IV aid disbursed for the payment period or period of enrollment (Box A) from the amount of Title IV aid earned (Box D). This is the amount of the post-withdrawal disbursement due. Stop here and go to the post-withdrawal disbursement tracking sheet.

$$\boxed{} \text{ Box D} - \boxed{} \text{ Box A} = \text{E } \boxed{\$ }$$

F. **Title IV aid to be returned.** Subtract the amount of Title IV aid earned (Box D) from Title IV aid disbursed for the payment period or period of enrollment (Box A). This is the amount of Title IV aid that must be returned.

$$\boxed{\$2,562.50} \text{ Box A} - \boxed{\$1,859.67} \text{ Box D} = \text{F } \boxed{\$ 702.83}$$

Student's Name Ronnie Desmond Social Security Number Case Study 3-10

STEP 5: Amount of Unearned Title IV Aid Due from the SCHOOL

G. Institutional charges for the payment period or period of enrollment

Tuition and Fees	<u>\$1,000.00</u>	Board	_____	Other	_____	Total Institutional Charges G \$ 1,250.00
Room	_____	Other	<u>\$250.00</u>	Other	_____	

H. Percentage of Title IV aid unearned (100% - Box C)	40.4%	H
---	--------------	----------

I. Multiply institutional charges for the payment period or period of enrollment (Box G) times the percentage of Title IV aid unearned (Box H).

\$1,250.00	X	40.4%	=	I	\$ 505.00
Box G		Box H			

J. Compare the amount of Title IV aid to be returned (Box F) to Box I and enter the lesser amount.	J	\$ 505.00
--	----------	------------------

STEP 6: Return of Funds by the SCHOOL

The school must return the unearned aid for which the school is responsible (Box J) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source.

Amount for School to Return	Amount for School to Return
1. Unsubsidized FFEL/Direct Stafford Loan _____	5. Pell Grant <u>\$505.00</u>
2. Subsidized FFEL/Direct Stafford Loan _____	6. FSEOG _____
3. Perkins Loan _____	7. Other Title IV programs _____
4. FFEL/Direct PLUS _____	

STEP 7: Initial Amount of Unearned Title IV Aid Due from the STUDENT

K. Subtract the amount of Title IV due from the school (Box J) from the amount of Title IV to be returned (Box F).

\$702.83	-	\$505.00	=	K	\$ 197.83
Box F		Box J			

STEP 8: Return of Funds by the STUDENT

The student (or parent for a PLUS loan) must return unearned aid for which the student is responsible (Box K) by repaying funds to the following sources, in order, up to the total net amount disbursed from each source, after subtracting the amount the school will return. Amounts to be returned to grants are reduced by 50%.

Amount for Student to Return	Initial Amount to Return	Amount for Student to Return
1. Unsubsidized FFEL/Direct Stafford Loan* _____	5. Pell Grant <u>\$197.83</u>	x 50% = <u>\$98.92</u>
2. Subsidized FFEL/Direct Stafford Loan* _____	6. FSEOG _____	x 50% = _____
3. Perkins Loan* _____	7. Other Title IV programs _____	
4. FFEL/Direct PLUS* _____	(x 50% for grant funds)	

*Loan amounts are returned in accordance with the terms of the promissory note. No further action is required other than notification to the holder of the loan of the student's withdrawal date.

Appendix D

Review Exercises & Discussion Questions

Case Study 2-1:

Q: In Bill's case, how might you document the allowance?

A: *If your school establishes a general allowance, you might include the allowance, and the rationale for its development, in your policies and procedures manual or keep it on file in some other fashion. If you base the allowance on individual cases and circumstances, document the allowance in each student's file.*

Case Study 2-2:

Q: Is Harry eligible for federal student aid? What steps are needed?

A: *Harry will need to determine his eligibility by completing the worksheet he received with his SAR. He will have to check with his state to make sure the conviction is cleared from his record. If it is cleared, he can correct question 28 on his SAR to 1 and he becomes eligible to receive federal aid. If it's not cleared, he can correct question 28 to 2. When one year has elapsed from date of conviction, he can receive aid.*

Case Study 2-3:



Case Study 2-3: Kelly Jamie Raphael Scenario A

Dependent undergraduate

Academic year = 30 weeks, 900 clock hours

Program = 10 weeks, 250 clock hours

- Compare fractions based on weeks and hours:
 $10/30 (= .33)$ $250/900 (= .28)$
- Multiply the smaller fraction by the loan limit:
 $\$2,625 \times .28 = \$735$ (prorated max)

2-20



Case Study 2-3: Kelly Jamie Raphael Scenarios B and C

Academic year = 30 weeks, 900 clock hours

Scenario B:

Program = 12 weeks, 400 clock hours

$12/30 (= .40)$ $400/900 (= .44)$

$\$2,625 \times .40 = \$1,050$ (prorated max.)

Scenario C:

Program = 20 weeks, 600 clock hours

$20/30 (= .67)$ $600/900 (= .67)$

$\$2,625 \times .67 = \$1,758.75$ (prorated max.)

2-21

Case Study 2-4:



Case Study 2-4: Greg Billcorn

Academic year = 30 weeks, 24 credit hours

Independent 2nd year undergrad enrolled:
6 credit hours

- Divide hours in remaining period by hours in academic year: $6/24 = .25$

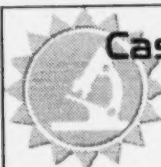
- Multiply this fraction by the annual limit:

base: $.25 \times \$3,500 = \$875$

additional: $.25 \times \$4,000 = \$1,000$

2-23

Case Study 2-5:



Case Study 2-5 (Example A): Penny Jones

\$6,500 COA	\$ 2,175 Pell Grant
- 950 EFC	+ 4,752 Montgomery Bill Active Duty
- 2,175 Pell Grant	+ 2,625 Subsidized Stafford Loan
- 3,375 unmet need*	\$9,552 total aid**

* For subsidized loans, when Montgomery GI Bill-Active Duty benefits are excluded

** Although this exceeds need and COA, it is not an overaward under statute

2-26

Penny Jones(Example B):

\$9,500 COA	\$2,175 Pell Grant
- 950 EFC	+4,752 Mont. GI Bill-A.D.
- 2,175 Pell Grant	+2,625 Sub. Stafford Loan
\$6,375 Unmet Need*	\$9,552 Subtotal of Aid**

* For subsidized loans, when Montgomery GI Bill-A.D benefits are excluded

** Although this exceeds need and COA, it is not an overaward under statute

2-21

Penny Jones(Example B cont.):

\$9,500 COA	\$2,175 Pell Grant
- 950 EFC	+4,752 Mont. GI Bill-A.D.
- 2,175 Pell Grant	+2,625 Sub. Stafford Loan
- 4,752 Mont. GI Bill-A.D.	+ 500 FSEOG
\$1,623 Campus-based elig	+1,123 FWS
	\$11,175 Total Aid**

** Although this exceeds need and COA, it is not an overaward under statute.

2-28

Case Study 3-1 Review Exercise

Check all the boxes of the data elements that are relevant to this particular case study.

- ☐ Amount of state grant(s) disbursed
- ☒ Date student began the process of withdrawing from school
- ☐ Date student skipped her first class
- ☐ Amount of institutional grant(s) awarded
- ☒ Amount of Pell Grant awarded
- ☒ Date fall semester began
- ☐ Date fall break began
- ☐ Date student began thinking about withdrawing
- ☐ Amount of library fines the student incurred
- ☒ Amount of tuition and fees charged for the period
- ☐ Amount of housing allowance for a student living at home
- ☒ Amount of voucher for books purchased in campus bookstore
- ☐ Number of credit hours the student's parent wanted her to take
- ☒ Amount of Pell Grant disbursed
- ☐ Amount of Perkins loan award for which student is eligible
- ☐ Student's year in college
- ☒ Date semester ended
- ☐ Date student submitted the signed withdrawal form

Case Study 3-2 Discussion Questions

1Q: What would have been the percentage Title IV aid earned if Penny had withdrawn from college after completing 65% of the semester?

A: *100%. Remember, if the percentage of Title IV aid completed exceeds 60%, Item C—the percentage of Title IV aid earned—is always 100%*

2Q: How would Penny's FSEOG grant have been treated in the calculation if Penny's school uses either the individual recipient or aggregate method for matching FSEOG funds?

A: *If either of these methods is used by the school for matching SEOG funds, then only the federal share of the grant would be used in the calculation ($\$750.00 \times .75 = \$562.50$).*

3Q: What is required of the school once it determines that Penny owes a grant overpayment? How might Penny satisfy her obligation to repay these funds and still retain her Title IV eligibility?

A: *In order to recover the overpayment, the school must send Penny a notice within 30 days of its determination that she withdrew.*

To satisfy her obligation and still retain her Title IV eligibility—within the earlier of 45 days from the date the school sent the notice or 45 days from the date the school was required to send the notice—Penny can repay the overpayment in full to the school, enter into a repayment agreement with the school, or sign a repayment agreement with the Secretary.

If the school enters into a repayment arrangement with Penny, it must provide her with the terms of the agreement, which must ensure that the overpayment is paid in full within two years of the date the school determined Penny withdrew. Also, if Penny doesn't repay the funds in full or doesn't enter into a repayment agreement with the school within the specified 45 day period, or if she fails to meet the terms of the repayment agreement she made with the school, the school must refer the grant overpayment to the Secretary.

Case Study 3-2 Review Exercise

Please read each of the following statements. Indicate in the spaces next to each whether the statement is "True" or "False."

- T 1. A school may establish a policy for the refund of institutional charges independently of the requirements for the return of Title IV funds.
- T 2. A school may establish its own withdrawal policy/process independently of the requirements for the return of Title IV funds.
- F 3. For students who receive Title IV aid, the withdrawal policy/process a school establishes internally takes precedence over the federal requirements for the return of Title IV funds.
- F 4. The school is not required to publish and make available to students its internal policies regarding refunds and withdrawals.
- F 5. The withdrawal date used in the return of Title IV funds calculations must be consistent with the withdrawal date documented by the school's registrar and used internally.
- T 6. Generally, state and institutional aid is not considered in the return of Title IV funds calculation.
- T 7. A student's withdrawal date and the date the school determined the student withdrew are not necessarily one in the same.
- T 8. A school that is required to take attendance must determine a student's withdrawal date from the attendance records.
- F 9. A school that is not required to take attendance may determine the student's withdrawal date from the student's attendance at an academically-related event, only if the student did not begin the school's withdrawal process or otherwise notify the school of his/her intent to withdraw.
- F 10. Because clock-hour schools use clock hours completed and/or scheduled in the return of Title IV calculation, these schools are not required to document the student's withdrawal date.
- F 11. If a student withdraws without providing notification, the date of the school's determination is same as the student's withdrawal date.

- T 12. The date the school becomes aware that the student withdrew is the "trigger" date for various notifications the school must provide.
- T 13. If the school is responsible for returning Title IV funds, the deadline for returning the funds is 30 days after the school's determination that the student withdrew.
- F 14. If the student is due a post-withdrawal disbursement and has remaining Title IV loan funds available after charges have been credited to the student's account, the school must make the offer for the disbursement within 90 days of its determination that the student withdrew.
- F 15. Schools are not required to determine if their students who receive Title IV aid withdrew without notification.

Case Study 3-3 Discussion Questions

1Q: Under what scenario would institutional and/or state awards be used in calculating the return of Title IV funds?

A: *Institutional awards are never included in the calculation. However, when a state grant is identified as a LEAP grant, it must be included.*

2Q: Since Harry did not provide notification that he was withdrawing from his clock hour program, how is the withdrawal date determined? And, since the number of clock hours completed is going to be used in the calculation, why do we need Harry's withdrawal date?

A: *Harry's withdrawal date is taken from attendance records, since his school requires that attendance be taken. And, we need to know Harry's withdrawal date so that we can determine how many clock hours were scheduled to be completed as well as how many clock hours were completed as of the date he withdrew, as both are items of information needed to perform the calculation.*

3Q: What constitutes "official notification?"

A: *Official notification is the notice that the student provides to the school that he or she is withdrawing. This can be done by following the school's prescribed policy or by providing the office(s) designated by the school the notice in writing or orally (in person, over the telephone by an individual acting on behalf of the student, or via alternative means specified by the school, such as a web site).*

Case Study 3-4 Discussion Questions

1Q: If Micki had been required to purchase her books and supplies from SVPI, would the amount of institutional charges change?

A: *Yes. The total for institutional charges would have increased by the amount Micki was charged for books.*

2Q: If, rather than having her mother call your office on April 4, Micki had waited to complete the school's withdrawal process until she was able to come to campus herself on April 21, what would have been both her withdrawal date and the date of the institution's determination that she had withdrawn? And, how would the outcome of the calculation have changed?

A: *Micki's withdrawal date remains the same—April 3 (the last date of her attendance taken from attendance records).*

Unless the office designated to receive notifications of withdrawal had some indication that Micki had stopped attending, the date of the institution's determination that the student withdrew would be April 21, the day Micki comes to campus to begin the school's withdrawal process.

The outcome of the calculation remains the same, since the clock hours she completed as of April 3 remain 280.

3Q: Let's assume that none of Micki's aid (the same \$3,023.61 consisting of a FFEL loan and Pell and FSEOG grants) had been disbursed prior to her withdrawal and that she was due a post-withdrawal disbursement of \$1,800.00. In what order should the funds be disbursed?

A: *If a student is due a post-withdrawal disbursement, grants should be disbursed before loans. With this in mind, the school should make the post-withdrawal disbursement from funds that are most beneficial to the student.*

Case Study 3-5 Discussion Questions

1Q: What happens to the \$1,940.00 unsubsidized loan that had not been disbursed prior to O.P.'s withdrawal?

A: *The school will have to cancel the loan.*

2Q: When does the school have to return the funds?

A: *Although the school should return the funds as soon as possible, it has up to 30 days from the date it determined that the student withdrew, October 22.*

3Q: Would the calculation change in any way if O.P. had been a second-year rather than a first-year student?

A: *No. For all students receiving Title IV aid, the same pro rata calculation is used to determine how much SFA Program funds have been earned at the time of withdrawal.*

Case Study 3-6 Discussion Questions

1Q: The amount of Pell Grant the school is responsible for returning is \$973.59. Can the school round the amount? If so, to what?

A: Yes. The school could choose to round the amount. If so, the amount of Pell Grant returned would be \$974, since monetary amounts are rounded to the nearest dollar.

2Q: If BSU's accrediting agency required that attendance be taken only during the first two weeks of the term, would this change how the withdrawal date is determined?

A: Yes. The regulations do not pertain to schools that are required to take attendance for only a brief portion of the period. But, if an outside agency requires attendance to be taken for a group of students (such as those receiving benefits from another government agency), this last date of attendance for this group would be determined by attendance records (and the mid-point determination would not apply).

3Q: Why wasn't the \$200 in FWS wages that had been credited to Bill's student account included in the calculation?

A: FWS wages are never included in calculating the return of Title IV funds.

Case Study 3-7 Discussion Questions

1Q: Why is Kelly due a disbursement after withdrawing?

A: *Prior to withdrawal, she was eligible to receive all of her Title IV aid, and would have done so if not for the problems with the software. After withdrawing, she is eligible to receive only an amount equal to the percentage of Title IV funds that she has earned.*

2Q: What is required of the school in making post-withdrawal disbursements?

A: *If the post-withdrawal disbursement is sufficient to cover both current AND minor prior award year charges, it can be used for both. If loan funds are used, Kelly must be notified within 30 days to provide her an opportunity to cancel all or part of the loan within 14 days.*

Any remaining portion of the late disbursement must be offered directly to Kelly via written notification that includes:

- Identification of the type and amount of Title IV funds that make up this portion of the post-withdrawal disbursement;*
- Explanation of the student's ability to accept or decline some or all of the post-withdrawal disbursement;*
- Advisement that no post-withdrawal disbursement will be made if Kelly doesn't respond within 14 days of the date the school sends out the notification.*

If Kelly submits a timely acceptance of the post-withdrawal disbursement, the school must disburse the funds in the manner Kelly specified—within 90 days of the school's determination of Kelly's withdrawal.

On the other hand, if the school receives her response after the 14 day response time and the school chooses not to make the requested disbursement, the school must advise Kelly, either electronically or in writing, of the outcome of the post-withdrawal disbursement request.

3Q: Would calculating the percentage earned change if Kelly had attended a "semester" school rather than a "quarter" school?

A: *No. How the calculation is performed doesn't change, although the number of calendar days in the period most likely would, changing the amount of her post-withdrawal disbursement.*

Case Study 3-8 Discussion Questions

1Q: Why is March 16 (rather than April 3, the date the Residential Director contacted you) used as the withdrawal date?

A: *Although Posie "did not begin the withdrawal process prescribed by the school," on March 16, she did "otherwise provide official notification to the school of the intent to withdraw" by requesting that her Residential Director inform you that she was withdrawing.*

2Q: Let's assume that the Financial Aid Office was open during spring break (March 9 through March 15) and that Posie called your office on March 13 to advise that she was withdrawing. That being the case, what would her withdrawal date be?

A: *The withdrawal date would be March 8, the last date of scheduled classes before the break, since none of the days making up the scheduled break of five or more consecutive days are counted.*

3Q: Would the outcome of the calculation change if Posie had remained in the dorm but not continued attending classes?

A: *Posie's continuing to live in the dorm would not change the outcome of the calculation. The withdrawal date remains the date that she informed the Residential Director of her intent to withdraw.*

Case Study 3-9 Discussion Questions

1Q: What would the withdrawal date have been if taking attendance were not required at ECS and you had not discovered Joseanne's withdrawal until the last week of the fall semester?

A: *Because Joseanne did not begin the withdrawal process or otherwise notify the school of her intent to withdraw, the withdrawal date would have been "the midpoint of the payment period for which Program Assistance was disbursed."*

In this case, her professors documented from attendance records that she stopped attending on October 1, before the midpoint of the period. Therefore, attendance at an academically-related event later than the mid-point of the period wouldn't apply.

2Q: How do Joseanne's parents take care of returning the PLUS loan funds of \$469.38? When all is said and done, how much of the original net disbursement of \$5,335.00 will they still owe?

A: *They simply repay the funds in accordance with the terms of the promissory note. And, they still owe \$2,009.50 ($\$5,335.00 - \$3325.50 = \$2,009.50$), plus loan origination fees.*

3Q: What is the distinction between "withdrawal date" and "date of the institution's determination that the student withdrew" in the return of Title IV funds?

A: *Withdrawal date impacts the number of days the student completed and, in turn, the percentage of aid earned as well as the percentage of aid unearned.*

The date of the institution's determination that the student withdrew starts the clock with regard to the various time-sensitive requirements to which the institution and student must adhere.

Remember that these dates are not necessarily one in the same.

Case Study 3-10 Discussion Questions

1Q: Had Ronnie's loan been disbursed at the time of withdrawal, would he have had to repay (return) the loan immediately?

A: *No. Immediate repayment of the loan is not required because it is expected the loan will be repaid according to the terms and conditions of the promissory note the student signed.*

2Q: What happens if Ronnie is unable to repay the portion of the Pell Grant that must be returned?

A: *Ronnie remains eligible for Title IV aid for up to 45 days from the earlier of the date the school mails him a notification of his obligation or the date the school is required to send him that notification, which provides the various options he has to retain his eligibility for Title IV aid. These options include:*

- *Paying the full amount of the overpayment;*
- *Entering into satisfactory arrangements with the school to repay that amount within two (2) years; and*
- *Signing a repayment agreement with the Department.*

But, if Ronnie doesn't take action within 45 days or if he fails to meet the terms of his repayment agreement, he loses his eligibility for Title IV assistance, and the school must report the overpayment through NSLDS within (30) days and must refer the overpayment to the Department.

3Q: What would the withdrawal date have been if Ronnie had changed his mind and rescinded his notice of withdrawal, and finally decided definitely to withdraw on March 27?

A: *The withdrawal date used for the calculation of return of Title IV funds would have been the earlier date, March 20. Remember that if the institution allows the student to rescind the official notification of intent to withdraw, and the student subsequently ceases attendance, the rescission is negated and the withdrawal date is the student's original withdrawal date.*

Case Study 4-1:

Q: We've noted that how multi-year lending is going to be handled needs to be considered in developing HCC's processes. But, there are many other issues to consider. In an effort to keep the student borrower informed, the Department requires the use of a specific process. What is it and who must be involved in the process?

A: *HCC must incorporate into its processes a confirmation process which currently may be active or passive.*

Active Confirmation – *The student is advised of the amount(s) and type(s) of loans being offered and the student must confirm with the school that the loan(s) is being accepted (as offered or with requested changes).*

Passive Confirmation — *The student is advised of the amount(s) and type(s) of loans being offered. No action is required of the student if he or she wants to accept the loan(s) as is.*

Case Study 4-2:

1Q: Is MECC eligible to use the multi-year feature of the MPN? As a student loan borrower, what does this mean to Kelly?

A: *No. MECC, a two-year community college, is not eligible to use the multi-year function this year. Generally, only four-year and graduate/professional schools not subject to emergency or LS & T action are authorized to use the multi-year feature, although the Department of Education may specifically include or exclude any school from using this feature of the MPN.*

Kelly wants to take out a student loan for each period of enrollment she attends MECC. As a result, she must apply and complete a new MPN for each period of enrollment for which she would like to receive loans.

2Q: If Kelly decides to move on to a four-year school after completing her AA degree and her new school uses the same lender she had at MECC, can she use the last MPN she borrowed against while attending MECC?

A: *If the four-year school is authorized for multi-year use, Kelly would not have to sign a new MPN, assuming that Kelly has not submitted a request to the lender prohibiting multi-year use of the MPN.*

Case Study 4-3:

1Q: If Joseanne had stayed put at PMU, and if she needed to borrow at some point in the future, would she have been able to use the original MPN she signed?

A: Yes, unless the MPN has expired.

2Q: When does the multi-year feature of the MPN expire?

A: The multi-year feature expires upon the earliest of:

- The date the Secretary or the school receives the borrower's written notice that no further loans may be disbursed;
- One year after the date of the borrower's first anticipated disbursement if no disbursement is made during that twelve-month period; or
- Ten years after the date of the first anticipated disbursement except that a remaining portion of a loan may be disbursed after this date.

3Q: Because Joseanne transferred to ECS from PMU before the MPN she signed at PMU expired, does she have to sign a new MPN to borrow at ECS?

A: Yes. Joseanne does have to sign a new MPN to borrow at ECS. With any change of lender (other than the result of a merger or acquisition), a student borrower must complete a new MPN. Switching loan programs (FFEL to Direct Loans or vice versa) constitutes a change of lender.

Case Study 4-4:

1Q: Can Renaldo borrow at NYCSL based on the MPN he signed at his undergraduate school?

A: *Maybe. We don't have enough information to know for certain. First of all, we don't know if NYCSL, like Renaldo's undergraduate school, is a Direct Loan school. If it isn't, this would be a change of lender for Renaldo and he would need to sign a new MPN.*

Next, assuming NYCSL is a Direct Loan school, we don't know if the multi-year feature of the MPN is used at NYCSL, although all graduate/professional schools not subject to an emergency or LS & T action are authorized (but not required) to do so. If it isn't, a new MPN must be signed. If it is, we would need to be sure that the original MPN signed at Renaldo's undergraduate school has not expired.

2Q: Let's assume that NYCSL is a Direct Loan school and does use the multi-year feature of the MPN. Renaldo heard a rumor that only students who attend night school are required to sign a new MPN each academic year; students who attend during the day do not. Can NYCSL have such a policy?

A: *Yes. Schools have the option to request that some or all of their students sign a new MPN each academic year.*

Case Study 4-5:

1Q: Will O.P.'s father need to sign a note for each of the two PLUS loans he anticipates having to take out?

A: *Yes. At this time, the MPN concept has not been adopted for use in the Federal PLUS Program.*

2Q: Are the regulations concerning the MPN the same for clock-hour and credit-hour schools? For term-based and non-term based programs?

A: *All of the same regulations apply. However, if you'll recall what we've discussed today, schools have the ability to set up processes that work best for their individual circumstances and/or student populations.*

3Q: Will O.P. have to sign another MPN for year two?

A: *Yes, O.P. must sign a new MPN in year two. FNSN, is a two-year school that has not been authorized to use the multi-year feature of the note.*

Remember, prior to her first disbursement in year one, O.P. would need to complete loan entrance counseling, just as she would have prior to the implementation of the MPN.

4Q: O.P.'s best friend, Graham, transferred from another nursing school that participated in the FFEL Program so that they could attend together. Graham signed an MPN at his previous school, which used the multi-year feature, and he is going to keep the same lender at FNSN. Will he have to sign a new MPN?

A: *Yes. FNSN isn't authorized to use the multi-year function.*

5Q: Let's say, for the sake of argument, that FNSN is authorized to use the multi-year feature of the MPN. In that case, would Graham have to sign a new MPN at FNSN?

A: *Maybe. Whether or not he has to sign a new MPN depends upon the school. It could be that, at FNSN, (all or some) transfer students are required to sign a new MPN.*

Case Study 4-6:

1Q: Is BWU out of compliance by having different policies in the use of the MPN for new and returning students?

A: *No. BWU is not out of compliance regarding use of the multi-year feature of the MPN. Schools are allowed to develop and implement different policies and processes regarding use of the MPN for different groups of students.*

2Q: Because BWU doesn't use the multi-year feature of the MPN for returning students, must Posie sign an additional MPN when she requests the additional \$1,000 loan at mid year?

A: *No. Although this returning student belongs to a group that is required to sign a new MPN each period of enrollment, she would not sign another MPN during the same period of enrollment if she becomes eligible for an increased loan amount due to a change in grade level. She would receive revised disclosure information from her lender or guarantor, following the school's processing of the additional loan amount.*

Reauthorization Provision	Effective Date				Resources
	10/01/98	10/07/98	2000-2001 Award Year	Other Date	
Academic Achievement Incentive Scholarship Program	✓			No funds available for the 1999-2000 award year	HEA § 406A-407E GEN-98-28 p. 26
Accreditation	✓				HEA § 496 GEN-98-28 pp. 12-13
Campus-Based Allocation Formula			✓		HEA § 413D HEA § 442 HEA § 462 GEN-98-28 pp. 26-27
Campus-Based Awards to Independent & Less Than Full-Time Students	✓				HEA § 413C(d) HEA § 443(b)(3) HEA § 464(b)(2) GEN-98-28 p. 27 34 CFR § 674.10 34 CFR § 675.10 34 CFR § 676.10
Campus-Based Programs: FSEOG Carry Forward/Carry Back	✓				HEA § 413E GEN-98-28 p. 27 34 CFR § 676.18
Campus-Based Programs: FWS Community Service Defined	✓				HEA § 441(c) GEN-98-28 p. 27 34 CFR § 675.2
Campus-Based Programs: FWS Community Service Minimum Expenditure			✓		HEA § 443(b)(2)(B) GEN-98-28 p. 28 34 CFR § 675.18
Campus-Based Programs: FWS Community Service Literacy Activities/Tutoring			✓		HEA § 443(b)(2)(B) HEA § 443(d) GEN-98-28 p. 28 34 CFR § 675.18
Campus-Based Programs: FWS Federal Share	✓			90% Federal share not effective until final regulations published on 10/28/99	HEA § 443(b)(5) HEA § 443(d)(3) GEN-98-28 p. 28 34 CFR § 675.26
Campus-Based Programs: FWS Methods for Paying Students	✓				HEA § 445(c) GEN-98-28 p. 28 34 CFR § 675.16
Campus-Based Programs: FWS Other Provisions (academic relevance, equivalent non-FWS jobs, work colleges)	✓				GEN-98-28 p. 28
Campus-Based Programs: FWS Payment for Community Service Travel				1999-2000 Award Year	HEA § 443(b)(2)(A) HEA § 443(d)(1) GEN-98-28 p. 28 34 CFR § 675.18(h)

Reauthorization Provision	Effective Date				Resources
	10/01/98	10/07/98	2000-2001 Award Year	Other Date	
Campus-Based Programs: FWS Reallocation of Excess Allocations				Begin with excess funds from 2000-2001 Award Year	HEA § 442(d) GEN-98-28 p. 27
Campus-Based Programs: Perkins Deferments & Cancellations		✓			HEA § 464(c)(2)(C) HEA § 465(a)(7) GEN-98-28 p. 30 34 CFR § 674.34
Campus-Based Programs: Perkins Loan Award Limits	✓				HEA § 464(a)(2)A HEA § 464(a)(2)B GEN-98-28 p. 29 34 CFR § 674.12
Campus-Based Programs: Perkins Loan Default Rate & FCC			✓		HEA § 462(c) GEN-98-28 p. 29 34 CFR § 674.5(a)(1)
Campus-Based Programs: Perkins Loan Default Rate & Participation			✓		HEA § 462(f) GEN-98-28 p. 29 34 CFR § 674.5(a)(2)
Campus-Based Programs: Perkins Loan Default Rate Calculation	✓				HEA § 462(g) GEN-98-28 p. 36 34 CFR § 674.5(c)(3)
Campus-Based Programs: Perkins Loan Other Provisions	✓				GEN-98-28 34 CFR § 674.33(f)
Campus-Based Programs: Perkins Loan School Closure Discharge	✓			For loans made on or after 1/1/1986	HEA § 464(g) GEN-98-28 pp. 31-34 34 CFR § 674.33(g)
Consumerism: Reporting Requirements	✓				HEA § 485 GEN-98-28 pp. 18-21 34 CFR § 668.41 34 CFR § 668.42 34 CFR § 668.43 34 CFR § 668.43 34 CFR § 668.44 34 CFR § 668.46 34 CFR § 668.47 34 CFR § 668.48
Contracts with Financial Aid Service Provider/ Loan Servicer	✓				HEA § 498(b)(3) GEN-98-28 p. 13
Cost of Attendance: Equipment for Telecommunication Study		✓			GEN-98-28 p. 8
Cost of Attendance: Personal Computers		✓			HEA § 472(2) GEN-98-28 p. 8
Cost of Attendance: Reasonable Living Allowance		✓			HEA § 472(3) GEN-98-28 p. 8 34 CFR §

Reauthorization Provisions	Effective Date				Resources
	10/1/98	10/7/98	2000-2001 Award Year	Other Date	
Distance Education Demonstration Programs	X				HEA 486 GEN-98-28 pp.21-23 See Additional Resources p.E1-6
Experimental Sites	X				HEA 487A(b) GEN-98-28 pp.23-24 GEN-98-28 pp.31-32 34 CFR 668.17
FFELP and Direct Loan Common Provisions: Default Rate	X				HEA 428 (b)(1)(M) HEA 428 (b)(1)(Y) GEN-98-28 p.33 34 CFR 682.210
FFELP and Direct Loan Common Provisions: FFEL Deferment Guidelines	X				HEA 428(c)(3)(A)(i) GEN-98-28 p.34
FFELP and Direct Loan Common Provisions: Forebearance Requests	X				HEA 428 (b)(7)(D) HEA 464(c)(7) GEN-98-28 p.34
FFELP and Direct Loan Common Provisions: Grace Period Exemption for Armed Forces Reserves	X				HEA GEN-98-28 p.36
FFELP and Direct Loan Common Provisions: Loan Disbursement	X				HEA 428J HEA 428A GEN-98-28 p.34
FFELP and Direct Loan Common Provisions: Loan Forgiveness for Teachers				Available to new borrowers with no balance on October 7, 1998 July 1, 2000	HEA GEN-98-28 p. CFR
FFELP and Direct Loan Common Provisions: Master Promissory Note				To be established by ED	HEA 428B(a)(1)(B) GEN-98-28 pp.35-36
FFELP and Direct Loan Common Provisions: Plus Loan Eligibility				Repayment options available to new borrowers after October 1, 1998; new option for borrowers with more than \$30,000 available for new FFEL borrowers after October 7, 1998	HEA 428(b)(1)(E) HEA 428(b)(4) GEN-98-28 p.38 34 CFR
FFELP: Repayment Options					

Reauthorization Provisions	Effective Date				Resources
	10/1/98	10/7/98	2000-2001 Award Year	Other Date	
Gaining Early Awareness and Readiness for Undergraduate Programs	X				HEA Part A Subpart 2 Chapter 2 GEN-98-28 p.26
Information Provided by ED				End of 1999-2000	HEA 485(d) GEN-98-28 p.19
Institutional Eligibility and Participation: 85/15 Rule Changed to 90/10 Rule				First fiscal year that includes 10/01/98	HEA 102(b)(1)(F) GEN-98-28 p.11 34 CFR 600.5(a)(8)
Institutional Eligibility and Participation: Definition of Eligible Institutions	X				HEA 101(a) & (b) & (c) GEN-98-28 p.11
Institutional Eligibility and Participation: Voter Registration	X				HEA 487(a)(23) GEN-98-28 p.11 CFR 668.14(d) 34
Leveraging Educational Assistance Partnership	X				HEA Title IV Part A Subpart 4 GEN-98-28 p.25
Master Calendar	X				HEA 482(c) GEN-98-28- p.5
Needs Analysis: Income Protection Allowance	X				HEA 475(g)(2) HEA 476(b)(1) GEN-98-28 p.9
Needs Analysis: Parents Attending College	X				HEA 474(b)(3) GEN-98-28 p.8
Needs Analysis: Prorated Student Contribution for Shorter Periods	X				HEA 475(j) HEA 476(a)(3) HEA 477(a)(4) GEN-98-28 p.9
Negotiated Rulemaking	X				GEN-98-28 pp.4-5
NSLDS: Borrower Access				Borrowers with PINs have access	HEA 425B(a) GEN-98-28 p.5
Pell Grant: Exclusion from Participation for High Default Rate				With publication of FY96 default rate	HEA 401(j) GEN-98-28 p.25 34 CFR 690.7(c) 34 CFR 668.17(b)(4)
Pell Grant: Post-baccalaureate Teacher Certification/Licensure Programs				1999-2000 Award Year	HEA 401(c) GEN-98-28 p.24 34 CFR 668.8 34 CFR 668.32 34 CFR 690.6

Reauthorization Provisions	Effective Date				Resources
	10/1/98	10/7/98	2000-2001 Award Year	Other Date	
Pell Grant: Tuition Sensitivity				1999-2000	HEA 401(b)(3) GEN-98-28 p.24
Program Integrity: Change of Ownership	X				HEA 498(i) GEN-98-28 p.14 34 CFR 668.12(f) 668.14(b)(15)
Program Integrity: Notification of Expiration (Certification Period)	X				HEA 498(i) GEN-98-28 p.14
Program Integrity: Program Reviews	X				HEA 498A GEN-98-28 pp.14-15
Program Integrity: Recertification	X				HEA GEN-98-28 p.14
Program Integrity: Site Visits	X				HEA 498(f) GEN-98-28 pp.13-14
Quality Assurance	X				HEA 487A(a) GEN-98-28 p. 23
Return of Title IV Funds				October 7, 2000	HEA 484B GEN-98-28 pp.15-18
Special Leveraging Educational Assistance Partnership	X			Funded beginning with 2000-2001 Award Year	HEA Title IV Part A Subpart 4 GEN-98-28 pp.25-26
Student Eligibility: Drug Related Offenses			X		HEA 484(r) GEN-98-28 p.7 34 CFR 668.40 GEN-99-16 GEN-99-39
Student Eligibility: Home Schooled Students					HEA 484(d) GEN-98-28 p.7 34 CFR 668.32(e)
Student Eligibility: Professional Judgement				Not a new provision	HEA 479A GEN-98-28 pp.7-8
Student Eligibility: Treatment of Veterans and Americorps Benefits	X			Treatment of campus-based over-awards regulations effective 10/28/99	HEA 428(a)(2)(C) HEA 480(j) GEN-98-28 pp.8&35 34 CFR 682.200(b) 34 CFR 673.5(c) 34 CFR 685.102(b)
Student Eligibility: Verification of Applicant Data			X		HEA 141(q) GEN-98-28 p.7
Student Loan Ombudsman				Named 10/99	HEA 141(f) GEN-98-28 p.3
Telecommunications Certificate	X				HEA 484(1)(1) GEN-98-28 p.7 34 CFR 668.38

Additional Resources for Distance Education Demonstration Programs

1. Website: <http://www.ed.gov/offices/OPE/PPI/DistEd>
2. Distance demonstration legislation can be found on the web at:
<http://www.ed.gov/legislation/HEA/sec488.html>
3. The Federal Register Notice soliciting distance demonstration proposals was published on 2/2/99 at:
<http://www.ed.gov/legislation/FedRegister?announcements/1999-1/010499a.html>
4. A document containing commonly asked questions regarding the distance demonstration program can be found on the web at:
<http://www.ed.gov/offices/OPE/PPI/DistEd/distedqa.html>
5. A Dear Colleague Letter re: Distance Education was published in May 1998; GEN-98-10

Federal Perkins Loan Deferment and Cancellations		
Type	Limitation	Available For
<u>Deferments</u>		
Half time student		All borrowers
Graduate fellowship (except medical internship or residency)		All borrowers
Unemployment	Up to three years	All borrowers
Economic hardship	Up to three years; granted up to a year at a time	All borrowers
Service as: ➤ Teacher in low income school ➤ Full time staff member in a Head Start program ➤ Special education teacher ➤ Member of armed forces on special pay in area of hostilities ➤ Volunteer under Peace Corps Act or Domestic Volunteer Service Act ➤ Full-time teacher of math science, foreign language or state-identified shortage field ➤ Full time nurse or medical technician providing health care, or ➤ Full-time employee of child or family service agency providing services to high risk children, from low income communities, and their families	That will qualify for cancellation	All borrowers
Member of the U.S. Army, Navy, Air Force, Marines or Coast Guard	Up to 3 years	Perkins Loans made before July 1, 1993
Member of National Guard or Reserves on full time active duty	Up to 3 years	Perkins Loans made before July 1, 1993
Officer in the Commissioned Corps of the US Public Health Service	Up to 3 years	Perkins Loans made before July 1, 1993

Federal Perkins Loan Deferment and Cancellations		
Type	Limitation	Available For
<u>Deferments (continued)</u>		
On full-time active duty as a member of the National Oceanic and Atmospheric Administration	Up to 3 years	Perkins Loans made before July 1, 1993
Full-time volunteer in Peace Corps, Action or similar program	Up to 3 years	Perkins Loans made before July 1, 1993
Temporarily totally disabled or unable to work because caring for a spouse who is so disabled	Up to 3 years	Perkins Loans made before July 1, 1993
Prolonged hardship	As determined by the school	Perkins Loans made before July 1, 1993
Working (or returning to work) mother with preschool age children earning less than \$1 above the minimum wage	Up to one year	Perkins Loans made before July 1, 1993
Pregnancy or caring for a newborn or newly adopted child	Up to 6 months, (must begin within six months of leaving school)	Perkins Loans made before July 1, 1993
A member of the U.S. Army, Navy, Air Force, Marines or Coast Guard	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993
A member of the National Guard or Reserves serving a period of active duty in the Armed Forces	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993
An officer in the commissioned Corps of the U.S. Public Health Service	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993
A Peace Corps Volunteer	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993
A volunteer under Title I, Part A of the Domestic Volunteer Service Act of 1973 (ACTION Programs)	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993

Federal Perkins Loan Deferment and Cancellations		
Type	Limitation	Available For
<u>Deferments (continued)</u>		
A full time volunteer in a tax exempt organization the Department has determined to be comp[arable to Peace Corps or ACTION	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993
Temporarily totally disabled, or unable to work because caring for a spouse who is so disabled	Up to 3 years	NDSL loans made between October 1, 1980 and July 1, 1993
<u>Cancellations</u>		
Full time educational staff in Head Start	Up to 100%. 15% each year,	All borrowers
Full-time teacher in public or non-profit elementary or secondary schools serving students from low income families	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers
Full- time law enforcement or corrections officer	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers
Full time special education teacher (including teachers of infants, toddlers and children or youth with disabilities) in a public or non-profit elementary or secondary school system	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers
Full time teacher in the field of math, science, foreign languages, bilingual education or any other field of expertise identified by a state education agency to have a shortage of qualified teachers in that state	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers

Federal Perkins Loan Deferment and Cancellations		
Type	Limitation	Available For
<u>Cancellations (continued)</u>		
Full time nurse or medical technician providing health care services	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers
Full time qualified professional provider of early intervention services in as public or nonprofit program under public supervision	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers
Full time employee of a family service agency providing or supervising the provision of services to high risk students from low-income communities and their families.	Up to 100%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year, 30% fifth year.	All borrowers
Full time service on active duty in the US Armed Forces serving in an area of hostilities, receiving special pay	Up to 50%. 12 1/2% per year	All borrowers
Volunteer service in Peace Corps or ACTION Program.	Up to 70%. 15% in each of first 2 years, 20% in each of 3 rd and 4 th year.	All borrowers

**Return of Title IV Funds
Requirements and Deadlines**

Party Responsible	Requirement	Deadline
School	Determining withdrawal date for student who withdraws without providing notification	30 days after the end of the earlier of: ➤ Payment or enrollment period ➤ Academic year in which student withdrew ➤ Educational program from which student withdrew
School	Return of unearned Title IV funds	As soon as possible, but no later than 30 days after date school determined student withdrew
School	Post-withdrawal disbursement to student's account for: ➤ Outstanding current (allowable) charges (e.g., tuition and fees, room and board, etc.) ➤ Minor prior year charges for which the school has authorization to retain ➤ Prior award year charges in excess of \$100 for which school has authorization to retain and for which the credit of Title IV funds does not and will not prevent the student from paying his or her current educational costs.	Within 90 days of date school determined student withdrew, in accordance with requirements for disbursing Title IV funds (§668.164)
School	Written notification providing student (or parent) opportunity to cancel all/part of loan, for post-withdrawal disbursements of loan funds (Perkins, FFEL, Direct Loan, or PLUS) to student's account	Within 30 days of disbursement of loan funds, in accordance with requirements for notifications and authorizations (§668.165)

**Return of Title IV Funds
Requirements and Deadlines**

Party Responsible	Requirement	Deadline
School	Written notification of student's eligibility for post-withdrawal disbursement in excess of outstanding current (educationally-related) charges	Within 30 days of date school determined student withdrew
Student (or parent)	Submit response instructing school to make post-withdrawal disbursement	Within 14 days of date school sent notification
School	Post-withdrawal disbursement to student for earned Title IV funds in excess of outstanding current (educationally-related) charges	Within 90 days of date school determined student withdrew
School	Notification to student (or parent) of outcome of late request for a post-withdrawal disbursement to student (request received by school after 14 day period and school chooses not to make disbursement)	Guidance from the Department of Education will be forthcoming
School	Notification to student of grant overpayment	Within 30 days of date school determined student withdrew
School	Referral of student to the Secretary , if student does not pay overpayment in full, does not enter into repayment agreement, or fails to meet terms of repayment agreement	Guidance from the Department of Education will be forthcoming

**Return of Title IV Funds
Requirements for Notifications**

Party Responsible	Notification	Requirements
School	Consumer Information	➤ School's withdrawal policy ➤ School's refund policy ➤ Office(s) designated to receive official notifications of intent to withdraw ➤ Requirements regarding the return of Title IV funds
School	Written notification of student's eligibility for post-withdrawal disbursement of funds in excess of outstanding current charges (educationally-related)	➤ Identify type and amount of Title IV funds that make up post-withdrawal disbursement not credited to student's account ➤ Explain that student or parent may accept all or part of disbursement ➤ Advise student or parent that no post-withdrawal disbursement will be made unless school receives response within 14 days of date school sent notice ➤ Explain that student or parent borrower(s) may cancel all or a portion of a FFEL, Direct, PLUS or Federal Perkins loan that may be credited to the account as a post-withdrawal disbursement
School	Response (written or electronic) to late request for post-withdrawal disbursement (that school chooses not to make)	➤ Outcome of request
School	Repayment Agreement	➤ Terms permitting student to repay overpayment while maintaining eligibility for Title IV funds ➤ Repayment in full within 2 years of date school determined student withdrew

Return of Title IV Funds: Determining Trigger Dates
Student's Withdrawal Date
School's Determination that Student Withdrew

Method of Withdrawal	¹ Student's Withdrawal Date: School <i>Not Required</i> to Take Attendance	Student's Withdrawal Date: School Required to Take Attendance	School's Determination that Student Withdrew
Student provides notification	➤ Date, as determined by school, student began withdrawal process prescribed by school ➤ Date, as determined by school, that student otherwise provided notification (in writing or orally) of intent to withdraw	Last date of attendance as determined by school's attendance records	Later of student's withdrawal date <i>or</i> date of notification of withdrawal
Student does not provide notification	Withdrawal <i>not due</i> to circumstances beyond student's control: ➤ Mid-point of the payment or enrollment period — or — ➤ Date of attendance, as documented by school, at an academically-related event Withdrawal due to circumstance beyond student's control: ➤ Date school determines is related to that circumstance	Last date of attendance as determined by school's attendance records	Date school becomes aware that student has ceased attendance
Student does not return from ➤ Approved leave of absence ➤ Unapproved leave	➤ Date school determines student began leave of absence ➤ Date student began leave of absence	Last date of attendance as determined by school's attendance records	Earlier of date of expiration of leave absence <i>or</i> date student notifies school that he or she will not be returning

¹ Schools not required to take attendance may use as the student's date of withdrawal the last date, as documented by the school, of the student's attendance at an academically-related event.

Return of Title IV Funds: Determining Trigger Dates

Student's Withdrawal Date

School's Determination that Student Withdrew

Type of Withdrawal	Student's Withdrawal Date <i>School Not Required to Take Attendance</i>	Student's Withdrawal Date School Required to Take Attendance	School's Determination that the Student Withdrew
Student rescinds intent to withdraw but does not complete payment or enrollment period	Student's original withdrawal date, as determined by whether or not student provided notification of intent to withdraw		Date school becomes aware student did not/will not complete the payment or enrollment period

UNITED STATES DEPARTMENT OF EDUCATION
Washington, D.C. 20202

July 1989

GEN-89-38 (LD)

SUMMARY: This letter provides information on the institutional refund requirements in 34 CFR 668.22 as they apply to the State Student Incentive Grant (SSIG) Program.

FINANCIAL AID HANDBOOK REFERENCE: Please refer to Chapter 3, pages 3-37 through 3-64 of the 1989-90 Federal Student Financial Aid Handbook for further information.

Dear State Colleague:

This letter concerns the Federal Title IV institutional refund requirements (34 CFR 668.22) and the State Student Incentive Grant (SSIG) Program.

It has recently come to our attention that State agencies have been implementing the requirements as they apply to the SSIG Program based on an article entitled "Refund Distribution Fraction Must Be Used When Title IV Funds Are Involved" in the June 1980 edition of "The Bulletin" distributed by the Office of Student Financial Assistance. The State agencies, based on their understanding of the article in "The Bulletin," have instructed institutions that all State grants are to be considered Title IV aid in implementing §668.22 of the Student Assistance General Provisions regulations. However, this understanding is not the policy that the article was intended to convey, nor has it ever been the policy of the Department of Education.

The Title IV institutional refund requirements in §668.22 apply to the SSIG Program as a Title IV program. (Section 668.1(c) defines the Title IV programs as including the SSIG Program.) However, the Title IV refund regulations apply only to those State grants which are considered to be Federal SSIGs, *i.e.*, Title IV assistance. To apply the regulations, an institution must know that a State grant is a Federal SSIG before it can treat the State grant as an SSIG in applying the institutional refund requirements. The State can identify the State grant as an SSIG only if two conditions are met. First, the grant must consist of funds from the Federal allotment and the State funds matching that allotment (including State funds matching the Federal allotment in excess of the minimum required match). Second, these funds are all subject to the Federal regulations governing the SSIG Program. If the institution does not know whether the State grant is an SSIG, it must treat the State grant as non-Title IV assistance in applying §668.22 of the Student Assistance General Provisions regulations.

The Department has always maintained this policy in the application of Federal rules under the SSIG Program.

Thus, if a State Agency specifically identifies to an institution a student's State grant as an SSIG, then the institution must consider the funds received by that student under that grant program as Title IV funds for the purposes of §668.22. This consideration would involve (1) including the SSIG amount awarded in both the numerator and denominator of the refund distribution fraction found in §668.22 (a) (3) (ii) of the regulations and (2) considering the SSIG in the amount of Title IV assistance received for the payment period under §668.22 (a) (3) (i). In addition, if a State agency identifies a State grant as an SSIG, an institution must also include it in implementing the other provisions of §668.22 as they apply to Title IV assistance. If, however, an institution does not know whether a State grant is a Federal SSIG because the State agency does not specifically identify a student's grant as a Federal SSIG, then the State grant must be treated as non-Federal aid and included only in the denominator of the refund distribution fraction. The amount of the refund returned to the State grant program would not be included in the Title IV portion of the institutional refund.

Section 668.22 (e) of the regulations requires an institution to develop a written policy for allocating the Title IV program portion of an institutional refund (and student repayments under §668.22(b)) among the Title IV programs from which the student received aid. The institution must apply this policy consistently to all Title IV recipients within the constraints of §668.22 (e). This requirement is an institutional responsibility required by Federal regulations and cannot be superseded by any State laws, regulations, or policies. The provisions of such a written policy are strictly a matter of institutional discretion. State grant programs may not require that an institution allocate the Title IV portion of the institutional refund to the SSIG Program first unless (1) the State agency identifies the State grant as an SSIG and (2) the requirement is part of the institution's agreement with the State agency. The State may not require an institution to allocate refunds to State grants (non-Title IV) other than in the manner allowed in §668.22. Thus, a State may not require a refund to be made to a State grant program before allocation of a refund to the Title IV programs.

Also, under §668.44 of the Student Assistance General Provisions regulations, it should be remembered that an institution must publish its refund policy and its policies regarding the distribution of any refund due to the Title IV programs. An institution may not violate its published policies. Thus, if the requirements of Federal, State, and private student financial assistance programs result in the return to each of these programs a total amount that exceeds a student's refund as calculated under an institution's published refund policy, the institution may not charge the student for additional funds.

Page 3 – Dear State Colleague

If you have any questions or need further assistance regarding this matter, please contact the SSIG Section at (202) 732-4507.

Sincerely,

Roberta S. Dunn
Deputy Assistant Secretary for
Student Financial Assistance

William L. Moran
Director, Student Financial
Assistance Programs

¹FSEOG NONFEDERAL MATCH

There are three methods by which an institution may meet the 25 percent nonfederal share requirement for FSEOG:

Individual recipient basis —The school ensures that the nonfederal match is made to each individual FSEOG recipient together with the federal share in such a way that each student's total FSEOG award consists of 75 percent federal dollars and 25 percent nonfederal dollars. A school using this method calculates and documents on a student-by-student basis what portion of the student's FSEOG award comes from federal funds and what portion comes from nonfederal funds.

Aggregate basis —The school ensures that the sum of all funds awarded to all FSEOG recipients in a given award year consists of 75 percent federal dollars and 25 percent nonfederal dollars. A school using this method calculates and documents on an aggregate basis what portion of total federal and nonfederal dollars awarded to all FSEOG recipients comes from federal funds and what portion comes from nonfederal funds.

For example, if a school awards a total of \$60,000 to all FSEOG recipients in 1999-2000, it must ensure that \$45,000 comes from federal funds and \$15,000 comes from nonfederal funds. The school may meet this requirement by awarding nonfederal funds to FSEOG recipients on a student-specific basis. For example, if the school makes a total of \$60,000 in FSEOG awards to a total of 100 students, the entire nonfederal share may be met by awarding a total of \$15,000 in nonfederal monies to only five FSEOG recipients. However, each FSEOG recipient must receive some FSEOG federal funds.

²Fund-specific basis —The school establishes an FSEOG fund for federal program funds and the required 25 percent nonfederal share. Awards to FSEOG recipients are then made from this *mixed* fund. A school using this method first creates a pool of funds containing 75 percent federal dollars and 25 percent nonfederal dollars, then makes FSEOG awards to students from this pooled fund.

¹ Excerpt from The Blue Book, June 1999, page 3-13

² Once these sums are deposited into the fund, they lose their separate identity and are considered federal funds for the purpose of calculating the Return of Title IV funds. (This text is not in the Blue Book, but is included here as clarification regarding the Return of Title IV funds.)

TREATMENT OF TITLE IV FUNDS: FSEOG NONFEDERAL MATCH

Fund Type	Award Letter Notice	Treatment of Title IV Funds
<i>Individual Matching Fund</i> The school provides a 25% share to match the 75% FSEOG funds on an individual recipient basis.	FSEOG Amount: \$ 750 Institutional FSEOG Matching Fund Award: \$ 250 Total FSEOG Award: \$1,000	 Listed on Worksheet \$ 750
<i>Aggregate Matching Fund</i> Example 1: The school awards institutional scholarships/grants or qualified state assistance to provide the aggregate sum of the qualifying match to meet the 25%.	FSEOG Amount: \$ 750 Institutional Scholarship: \$ 250 Total FSEOG Award: \$1,000	 Listed on Worksheet \$ 750
<i>Aggregate Matching Fund</i> Example 2: The school awards institutional scholarships/grants or qualified state assistance to provide the aggregate sum of the qualifying match to meet the 25%. (See 1999-2000 Federal Student Aid Handbook: Campus-Based Programs, pages 4-11 to 4-13.)	FSEOG Amount: \$ 750 Institutional Scholarship: \$ 0 Total FSEOG Award: *\$ 750 *Another student (with FSEOG) had an amount of institutional scholarship large enough to cover this student's 25% institutional matching amount. The matching is based on the sum in the aggregate, not on the individual.	 Listed on Worksheet \$ 750
<i>Fund Specific Matching</i> 25% school funds commingled with 75% Federal dollars from FSEOG = 100% FSEOG money.	FSEOG Amount: \$1,000 Total FSEOG Award: \$1,000	 Listed on Worksheet \$1,000

Policy Bulletins

Publication Date: January 7, 1999

Author: Policy Development Division

Summary: Calculating Institutional Refunds: What Are Institutional Charges?

POLICY INTERPRETATION AND GUIDANCE

STUDENT FINANCIAL ASSISTANCE PROGRAMS POLICY DEVELOPMENT DIVISION

SUBJECT: Calculating Institutional Refunds: What Are Institutional Charges?

STATUTORY AND REGULATORY CITATIONS: Section 484B of the Higher Education Act of 1965, as amended, (Title IV, HEA) and 34 CFR 668.22.

POLICY /INTERPRETATION/GUIDANCE:

This policy bulletin provides guidance on how to determine whether a charge is an institutional charge when calculating an institutional refund.

Institutional versus Non-Institutional Charges

When a student receives Title IV, HEA program funds to attend an institution and subsequently withdraws, drops out, takes an unapproved leave of absence, fails to return from an approved leave of absence, is expelled, or otherwise fails to complete the period of enrollment for which he or she was charged, federal law and regulations require the institution to make a timely refund of unearned tuition, fees, room and board, and other charges assessed the student by the institution. When a student withdraws, the institution must also determine if the student owes a repayment of unearned funds that the institution either disbursed to the student directly or, with the student's permission, credited to the student's account to pay for "non-institutional costs." Tuition, fees, room and board, and "other charges" have been collectively and historically referred to as "institutional charges." However, for the purposes of this bulletin, "institutional charges" will hereafter be referred to as "institutional costs" to clarify that institutional and non-institutional expenses are not defined by whether an actual charge has been made to a student's institutional account. As a general rule, institutional costs are defined as expenses that an institution assesses a student for educational expenses that are paid to the institution directly.

Since a repayment calculation involves only non-institutional costs and a refund calculation includes only institutional costs, a critical step in calculating an accurate refund and/or repayment involves determining whether the costs are institutional or non-institutional.

Common Misconceptions about Institutional Costs

□

The most frequently asked refund question the Department receives is: May this charge be considered a non-institutional cost? In the process of defining what may be considered a non-institutional cost, it seems some institutions have become confused about what constitutes an institutional cost. Therefore, please note the following general refund principles about institutional costs.

Refund Principle 1: Most Costs Are Institutional

The most important principle to keep in mind is that under current federal law and regulations provide that all tuition, fees, room and board, and other charges an institution assesses a student are institutional costs, unless demonstrated otherwise. Thus, an institution is never compelled by federal law and regulations to classify a charge as non-institutional if it wishes to classify the charge as institutional. However, if an institution wishes to exclude specific charges or costs from a refund calculation, it must demonstrate that the charges are either non-institutional costs or are designated as excludable costs under the regulations. Non-institutional and excludable costs are discussed in this bulletin under "General Guidelines for Defining Institutional Costs."

Refund Principle 2: An Institutional Cost Does Not Need To Be Assessed to all Students

Institutions sometimes mistakenly assume that a charge is not an institutional cost because it was not assessed to all students, or the charge was not included in the enrollment agreement. For example, the regulations in 34 CFR 668.22(c)(5)(i) and (d)(3)(i) provide general guidance that "other charges assessed the student by the institution include, but are not limited to. . .," all items issued by the institution to the student when those charges are specified in the enrollment agreement as separate charges. However, it should be noted that the regulations recognize that other charges are not limited to items that are listed in the enrollment agreement. While a charge must be assessed to all students carrying the same academic workload to be considered an allowable cost of attendance, and Title IV, HEA program funds may only be used to pay allowable cost of attendance charges, it is not true that a charge must be assessed to all students, or be listed in an enrollment agreement, to be considered an institutional cost for refund purposes.

Refund Principle 3: Institutional Costs May or May Not Be Charged to a Student's Account

Please note the following points about institutional charges:

1. All charges to a student's account are not necessarily institutional costs.

With the student's permission, an institution may credit a student's account with Title IV, HEA program funds to pay for non-institutional costs. Consequently, if a student withdraws from the institution with charges for non-institutional costs on his or her account, the institution must use those charges to determine if the student owes a repayment. Specific charges that may be classified as non-institutional costs are defined in the discussion on "General Guidelines for Defining Institutional Costs."

2. Charges that do not appear on the student's institutional account may still be institutional costs.

For example, a student does not have to charge the purchase of required course materials to his or her institutional account for the course materials to be classified as "institutional costs." If an institution disburses funds to a student to buy equipment that he or she is required to have by the first day of class, but the disbursement is so late that the student only has time to purchase the equipment at the school, those costs must be classified as institutional costs because the student does not have "a real and reasonable opportunity" to purchase the equipment from someplace other than the school.

General Guidelines for Defining Institutional Costs

The following educational expenses must be considered institutional costs:

- All charges for tuition, fees, and room and board (if contracted with the institution); and
- Expenses for required course materials, if the student does not have a "real and reasonable opportunity" to purchase the required course materials from any place but the institution.

Exceptions

The total amount of all institutional costs must be used in the calculation of a refund, including the calculation of unpaid charges, if they are specifically designated as excludable.

"Excludable" costs are defined as:

Costs that the regulations permit an institution to exclude from the total amount of institutional charges when calculating a refund, such as an administrative fee (34 CFR 668.22(c)(4) and (d)(2)), documented cost of unreturnable equipment, and the documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal (34 CFR 668.22(c)(5)(ii) and (d)(3)(ii)).

Non-institutional costs include:

1. A charge for any required course materials that an institution can document are non-institutional because the student had "a real and reasonable opportunity" to purchase them elsewhere (Please see the discussion that follows.);
2. A charge to the student's account for room charges that are collected by the institution but are "passed through" to an unaffiliated entity (See, 34 CFR 668.22(c)(6)(i) or (d)(4)(i));
3. A charge to student's account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal; or

4. A charge to a student's account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

Demonstrating "Real and Reasonable Opportunity"

When the final regulations implementing the institutional refund and repayment rules were published in the Federal Register on November 29, 1994, the Department provided an exception to the refund rules to allow an institution to treat certain charges as non-institutional costs when the institution can show that its students have the option of obtaining required course materials from the institution or receiving payment of the funds from the institution to purchase the items from alternative sources.

This exception was discussed in the preamble discussion to the November 29, 1994 regulations on page 61163:

If an institution does not have a separate charge for equipment and the student has the option [emphasis added] of purchasing the equipment from more than one source, the institution would not have to include the equipment charge in the pro rata calculation.

With regard to this exception, please note that if an institution wishes to classify the cost of required books, supplies, and equipment as non-institutional costs, it must be able to substantiate that an option actually existed for its students. For example, the institution must be able to demonstrate that: 1) the required course materials were available for purchase at a relatively convenient location unaffiliated with the school; and 2) the institution did not restrict the availability of financial aid funds, so its students could exercise the option to purchase the required course materials from alternative sources.

An institution would not be able to demonstrate that a student had a real and reasonable opportunity to purchase his or her required course materials from alternative sources if one of the following is true:

- The required course materials are not available elsewhere (i.e., they were only available at the institution), or they are not conveniently available for purchase from another vendor unaffiliated with the institution;
- When financial aid* is available to the institution for disbursement to the student, the institution does not make those funds available to the student in time to purchase the required materials from another vendor before those materials are required for academic purposes;

□

* Financial aid is defined in 34 CFR 668.22(i) as federal, state, institutional, or other scholarship, grant, or loan program funds.

- The institution's practices do not allow or discourage a student (e.g., the use of vouchers that are only good at the campus bookstore or the late disbursement of funds to students to pay for non-

institutional costs) from exercising his or her option to purchase the required course materials from another vendor; or

- The institution has the student sign a statement saying that the student has the option to purchase course materials from someplace other than the school, but the institution is unable to document that an option truly existed.

Excludable Institutional Costs

The regulations also allow institutions to exclude the following costs from pro rata and Federal refund calculations if the school's return policies are reasonable, consistent, and fair to all students, and students were notified, in writing, of the school's policies when they enrolled.

- An administrative fee (up to \$100 or 5% of the total institutional costs, whichever is less);
- The institution's documented cost for non-returnable equipment; and
- The institution's documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal.

Please note that the institution is responsible for demonstrating that its policy on non-returnable equipment is reasonable, consistent, and fair to students. For example, it is not reasonable or fair to students to classify all used books or equipment as non-returnable. An institution must be able to demonstrate that there are specific circumstances that would prevent the institution from selling the books or equipment to other students. Also, if the institution's students are not notified in writing about the school's return policy when they enroll or the policy is not consistent with federal regulations on excludable costs, the institution may not exclude the documented cost of books, supplies, and equipment from any refund calculations.

Applying the Rules: Is this an Institutional Cost?

To see how the guidelines for defining institutional costs can be applied, let us consider how an institution would determine whether a charge for tools is non-institutional or institutional. A student is required to purchase certain types of high quality tools for his program of study by the first day of class. The institution's enrollment agreement does not contain a charge for the tools, and it does not say that the student is required to purchase the tools from the institution or a vendor affiliated with the school. The required tools are available for purchase from the institution and from a retailer across the street from the school. As a routine practice, the institution obtains permission to credit all financial aid to students' institutional accounts, and establishes a line of credit for students at the campus bookstore so they can purchase the required tools by the first day of class. All students buy the tools at the campus bookstore and charge the purchase to their institutional accounts.

The first step would be to determine if the purchase of the tools falls under the category of expenses that are generally considered institutional charges. Although the cost of the tools is not listed as a charge in the student's enrollment agreement, the institution requires the student to purchase the tools for his program of study. Therefore, as a general rule, the tool charges will be considered

institutional costs. However under the exceptions rule, the tool charges may be considered non-institutional if the institution can document that its students had a "real and reasonable opportunity" to purchase the tools from someplace other than the institution. The real and reasonable test would be if the institution could demonstrate the following: 1) the tools were available for purchase elsewhere; 2) the institution made financial aid available to students in time to purchase the tools from another vendor before the first day of class; and 3) the institution's practices provide students with an equal opportunity to purchase the tools from the campus bookstore or the retailer across the street.

In this case, the institution meets the first criterion: the tools are available at the store across the street, so an opportunity could exist. However, the institution fails to satisfy the second and third criteria because the institution's routine practice of crediting students' accounts with all financial aid, and extending lines of credit for purchases at the campus bookstore, does not allow its students the option of purchasing the required tools from the retailer across the street. Therefore, the only choice this institution's students have is to purchase the tools at the campus bookstore. As a result, the cost of the tools must be classified as institutional costs.

Summary

The following summarizes the key points contained in this bulletin:

1. Institutional costs are defined as charges that an institution assesses a student for educational expenses that must be paid to the institution directly.
2. An institution either disburses financial aid to the student directly to pay for non-institutional costs, or the institution may, with the student's permission, credit the student's account to pay for non-institutional charges.
3. Institutional costs are used to calculate institutional refunds.
4. Non-institutional costs are used in repayment calculations.
5. Current federal law and regulations governing institutional refunds provide that all tuition, fees, room and board, and other charges an institution assesses a student are institutional costs, unless demonstrated otherwise.
6. If an institution wishes to exclude specific charges or costs from a refund calculation, it must demonstrate that the charges are either non-institutional costs or are excludable costs under the regulations.
7. An institutional cost does not have to be charged to all students or be listed as a charge in an enrollment agreement to be classified as an institutional cost.
8. All charges to a student's account are not necessarily institutional costs.

9. If a charge does not appear on the student's institutional account, it may still be an institutional cost.
10. Tuition, fees, room and board (if contracted with the institution) are always institutional costs.
11. Expenses for required course materials are institutional costs, if the student does not have a real and reasonable opportunity to purchase the required course materials from any place but the institution he or she is attending.
12. The total amount of all institutional costs must be used to determine the student's unpaid charges and the refund due the student.
13. If an institution wishes to classify the cost of required course materials as non-institutional costs, it must be able to substantiate that: 1) the required course materials were available for purchase at a relatively convenient location unaffiliated with the school; and 2) the institution made financial aid funds available to students in a timely manner, so its students could exercise the option to purchase the required course materials from alternative sources.
14. "Excludable" costs are costs that the regulations permit an institution to exclude from the total amount of institutional charges when calculating a refund, such as an administrative fee, documented cost of unreturnable equipment, and the documented cost of returnable equipment, if not returned in good condition within 20 days of withdrawal.
15. Non-institutional costs include: charges for any required course materials that an institution can document are non-institutional because the student had "a real and reasonable opportunity" to purchase them elsewhere; a charge to the student's account for room charges that are collected by the institution but are "passed through" to an unaffiliated entity; a charge to student's account for group health insurance fees, if the insurance is required for all students and the coverage remains in effect for the entire period for which the student was charged, despite the student's withdrawal; and a charge to a student's account for discretionary educationally related expenses (e.g., parking or library fines, the cost of athletic or concert tickets, etc.).

If you have any policy-related questions that are not answered by this bulletin, please call the Policy Development Division at (202) 708-8242.

Thank you.

Jeff Baker, Director

Policy Development Division

Student Financial Assistance Programs

Information on Home Schooling

The pages that follow list state statutes governing certain aspects of home schooled students. Since the 1998 reauthorization of the Higher Education Act affects the eligibility of such students for Title IV aid, these state statutes may be of assistance to you in dealing with such students. It should be noted that this information was culled from numerous resources and may have been superseded by subsequent action of your State legislature or State Department of Education. As a result, while this information may prove useful as a starting point, you should check your state codes on this issue more thoroughly if you are faced with determining whether a home schooled student is eligible to receive Title IV aid without taking an Ability-to-Benefit test.

Because home schooling has become increasingly popular in recent years, many states have associations that may serve as a resource to financial aid administrators. There are also national organizations, such as the National Homeschool Association (www.n-h-a.org) and the American Homeschool Association (www.home-ed-press.com/AHA/aha.html), which may be of assistance.

Finally, the information that follows has been copyrighted and should not be reproduced for commercial use without the express permission of the original sources.

ALABAMA

Section 16-28-3: Ages of children required to attend school; church school students exempt from operation of this section.

Every child between the ages of seven and 16 years shall be required to attend a public school, private school, church school, or be instructed by a competent private tutor for the entire length of the school term in every scholastic year except that every child attending a church school as defined in Section 16-28-1 is exempt from the requirements of this section, provided such child complies with enrollment and reporting procedure specified in Section 16-28-7. Admission to public school shall be on an individual basis on the application of the parents, legal custodian or guardian of the child to the local board of education at the beginning of each school year, under such rules and regulations as the board may prescribe.

(School Code 1927, §301; Code 1940, T. 52, §297; Acts 1956, 2nd Ex. Sess., No. 117, p. 446, §3; Acts 1982, No. 82-218, p. 260, §4.)

ALASKA

Section 14.30.010: When Attendance Compulsory.

(a) Every child between seven and 16 years of age shall attend school at the public school in the district in which the child resides during each school term. Every parent, guardian or other person having the responsibility for or control of a child between seven and 16 years of age shall maintain the child in attendance at a public school in the district in which the child resides during the entire school term, except as provided in (b) of this section.

(b) This section does not apply if a child (1) is provided an academic education comparable to that offered by the public schools in the area, either by (A) attendance at a private school in which the teachers are certificated according to AS 14.20.020; (B) tutoring by personnel certificated according to AS 14.20.020; or (C) attendance at an educational program operated in compliance with AS 14.45.100 - 14.45.200 by a religious or other private school; (2) attends a school operated by the federal government; (3) has a physical or mental condition that a competent medical authority determines will make attendance impractical; (4) is in the custody of a court or law enforcement authorities; (5) is temporarily ill or injured; (6) has been suspended or expelled under AS 14.03.160 or suspended or denied admittance under AS 14.30.045; (7) resides more than two miles from either a public school or a route on which transportation is provided by the school authorities, except that this paragraph does not apply if the child resides within two miles of a federal or private school that the child is eligible and able to attend; (8) is excused by action of the school board of the district at a regular meeting or by the district superintendent subject to approval by the school board of the district at the next regular meeting; (9) has completed the 12th grade; (10) is enrolled in (A) a state boarding school established under AS 14.16; or (B) a full-time program of correspondence study approved by the department, in those school districts providing an approved correspondence study program, a student may be enrolled either in the district correspondence program or in the centralized correspondence study program; (11) is equally well-served by an educational experience approved by the school board as serving the child's educational interests despite an absence from school, and the request for excuse is made in writing by the child's parents or guardian and approved by the principal or administrator of the school that the child attends; (12) is being educated in the child's home by a parent or legal guardian.

ARIZONA

Section 15-802: School instruction; exceptions; violations; classification; definitions.

A. Every child between the ages of six and sixteen years shall attend a school and shall be provided instruction in at least the subjects of reading, grammar, mathematics, social studies and science. The person who has custody of the child shall choose a public, private, charter or home school as defined in this section to provide instruction.

B. The parent or person who has custody shall do the following: 1. If the child will attend a public, private or charter school, enroll the child in and ensure that the child attends a public, private or charter school for the full time school is in session. If a child attends a school which is operated on a year-round basis the child shall regularly attend during school sessions that total not less than one hundred seventy-five school days or two hundred school days, as applicable, or the equivalent as approved by the superintendent of public instruction. 2. If the child will attend a private school or home school, file an affidavit of intent with the county school superintendent stating that the child is attending a regularly organized private school or is being provided with instruction in a home school. The affidavit of intent shall include: (a) The child's name. (b) The child's date of birth. (c) The current address of the school the child is attending. (d) The names, telephone numbers and addresses of the persons who currently have custody of the child. 3. If the child will attend home school, the child has not reached eight years of age by September 1 of the school year and the person who has custody of the child does not desire to begin home instruction until the child has reached eight years of age, file an affidavit of intent pursuant to subsection B, paragraph 2 stating that the person who has custody of the child does not desire to begin home school instruction.

C. An affidavit of intent shall be filed within thirty days from the time the child begins to attend a private school or home school and is not required thereafter unless the private school or the home school instruction is terminated and then resumed. The person who has custody of the child shall notify the county school superintendent within thirty days of the termination that the child is no longer being instructed at a private school or a home school. If the private school or home school instruction is resumed, the person who has custody of the child shall file another affidavit of intent with the county school superintendent within thirty days.

D. A person is excused from the duties prescribed by subsection A or B of this section if any of the following are shown to the satisfaction of the school principal or the school principal's designee: 1. The child is in such physical or mental condition that instruction is inexpedient or impracticable. 2. The child has completed the high school course of study necessary for completion of grade ten as prescribed by the state board of education. 3. The child has presented reasons for nonattendance at a public school which are satisfactory to the school principal or the school principal's designee. For purposes of this paragraph, the principal's designee may be the school district governing board. 4. The child is over fourteen years of age and is, with the consent of the person who has custody of him, employed at some lawful wage earning occupation. 5. The child is enrolled in a work training, career education, vocational or manual training program which meets the educational standards established and approved by the department of education. 6. The child was either: (a) Suspended and not directed to participate in an alternative education program. (b) Expelled from a public school as provided in article 3 of this chapter. 7. The child is enrolled in an education program provided by a state educational or other institution.

E. Unless otherwise exempted in this section or section 15-803, a parent of a child between six and sixteen years of age or a person who has custody of a child, who does not provide instruction in a home school and who fails to enroll or fails to ensure that the child attends a public, private or charter school pursuant to this section is guilty of a class 3 misdemeanor. A parent who fails to comply with the duty to file an

affidavit of intent to provide instruction in a home school is guilty of a petty offense.

F. For the purposes of this section: 1. "Home school" means a school conducted primarily by the parent, guardian or other person who has custody of the child or instruction provided in the child's home. 2. "Private school" means a nonpublic institution, other than the child's home, where academic instruction is provided for at least the same number of days and hours each year as a public school.

ARKANSAS

Section 6-15-504: Home schooled students - Achievement tests - Enrollment or reenrollment in local schools.

(a) Each student enrolled in a *home school* program who is considered to be at a grade level, or no more than two (2) years beyond the normal age for the appropriate grade, for which the state mandates norm-referenced tests for public school students shall be tested using a nationally recognized achievement test selected by the State Board of Education. (b)(1)(A) The administration of the tests required of *home schooled* students shall be by the directors of the education service cooperatives established under § 6-13-1001 et seq., or as otherwise designated by the Department of Education. (B) For the purposes of this section, the superintendents of the Little Rock, North Little Rock, and Pulaski County school districts shall act in lieu of an education service cooperative director. (2) The directors of the education service cooperatives shall establish a common set of procedures, approved by the Director of the Department of Education, for the proper administration of the tests required by this section. (3) Such administration shall include purchasing the test materials, giving the tests, scoring and interpretation of the tests, and reporting test results. (c) The cost of testing required by this section shall be the responsibility of the Department of Education when the tests are administered by the directors of the education service cooperatives or other Department of Education designees. (d) Alternate testing procedures may be approved by the director of an education service cooperative after consultation with the parents of a *home schooled* student; provided, however, that any costs associated with an alternate testing procedure shall be the responsibility of the parents. (e)(1) Each local school district shall have authority to assess any *home schooled* student who enrolls or reenrolls in the district in order to determine proper educational placement. (2) The local school district shall utilize, among other means of assessment, the norm-referenced test approved by the State Board of Education to assess the student and shall determine placement in the appropriate grade level as indicated by the test results. (f) Any *home schooled* student who enrolls or reenrolls in a local school district must attend classes for at least nine (9) months immediately prior to graduation before the student can become eligible to receive a high school diploma from the district.

History: Acts 1985 (1st Ex. Sess.), No. 40, § 4, 1985 (1st Ex. Sess.), No. 42, § 4; A.S.A. 1947, § 80-1503.7; Acts 1995, No. 522, § 2, 1997, No. 400, § 3.

CALIFORNIA

Sections 48220-48232:

48220. The classes of children described in this article, shall be exempted by the proper school authorities from the requirements of attendance upon a public full-time day school.

48222. Children who are being instructed in a private full-time day school by persons capable of teaching shall be exempted. Such school shall, except under the circumstances described in Section 30, be taught in the English language and shall offer instruction in the several branches of study required to be taught in the public schools of the state. The attendance of the pupils shall be kept by private school authorities

in a register, and the record of attendance shall indicate clearly every absence of the pupil from school for a half day or more during each day that school is maintained during the year. Exemptions under this section shall be valid only after verification by the attendance supervisor of the district, or other person designated by the board of education, that the private school has complied with the provisions of Section 33190 requiring the annual filing by the owner or other head of a private school of an affidavit or statement of prescribed information with the Superintendent of Public Instruction. The verification required by this section shall not be construed as an evaluation, recognition, approval, or endorsement of any private school or course.

48223. Children who are mentally gifted and who are being instructed in a private full-time day school by persons capable of teaching, where all or part of the courses of instruction required to be taught in the public schools of this state is taught in a foreign language with not less than 50 percent of the total daily instructional time taught in the English language, shall be exempted. The attendance of the pupils shall be kept pursuant to Section 48222.

48224. Children not attending a private, full-time, day school and who are being instructed in study and recitation for at least three hours a day for 175 days each calendar year by a private tutor or other person in the several branches of study required to be taught in the public schools of this state and in the English language shall be exempted. The tutor or other person shall hold a valid state credential for the grade taught. The instruction shall be offered between the hours of 8 o'clock a.m. and 4 o'clock p.m.

48225. The governing board of any school district which has children holding work permits to work temporarily in the entertainment or allied industries who are exempted from attending public full-time day school under the provisions of this article, or a county superintendent of schools, may contract with any person, firm or corporation responsible for the education of any children, so employed or acting on behalf thereof, to provide eligibility lists and placement services for qualified teaching and other necessary personnel for the tutoring of such children while so employed. Such personnel shall not for these purposes be deemed public employees. The contract shall require the payment of all costs of the school district, or the county superintendent of schools in providing the lists or services.

48225.5. (a) (1) Notwithstanding Section 48200, a pupil who holds a work permit to work for a period of not more than five consecutive days in the entertainment or allied industries shall be excused from school during the period that the pupil is working in the entertainment or allied industry for a maximum of up to five absences per school year. (2) Notwithstanding Section 48200, a pupil shall be excused from school in order to participate with a not-for-profit performing arts organization in a performance for a public school pupil audience for a maximum of up to five days per school year provided the pupil's parent or guardian provides a written note to the school authorities explaining the reason for the pupil's absence. (b) A pupil absent from school under this section shall be permitted to complete all assignments and tests missed during the absence that can be reasonably provided and, upon satisfactory completion, shall be given full credit therefor. The teacher of any class from which a pupil is absent shall determine, pursuant to the regulations of the governing board of the school district, or the county board of education, what assignments the pupil shall make up and in what period of time the pupil shall complete those assignments. The tests and assignments shall be reasonably equivalent to, but not necessarily identical to, the tests and assignments that the pupil missed during the absence. (c) A pupil absent pursuant to paragraph (1) of subdivision (a) shall receive instruction during the period of the absence from a studio teacher certified by the Labor Commissioner holding credentials as defined in Section 11755 of Title 8 of the California Code of Regulations. The instruction shall be offered between 7 a.m. and 4 p.m. for pupils in kindergarten and grades 1 to 6, inclusive, and between 7 a.m. and 7 p.m. for pupils in grades 7 to 12, inclusive. The school district or county superintendent of schools shall accept the work done

by the pupil and the grades given to the pupil on that work and shall provide the pupil with credit for the instruction the pupil received from that teacher. (d) At the request of a pupil excused from school pursuant to paragraph (1) of subdivision (a), the pupil may be permitted to enroll in a work experience program of the school district and shall receive appropriate academic credit for that work experience. (e) This section shall apply to all pupils, whether a pupil is enrolled in regular classes or special education classes, a regional occupational program or center, or a program of independent study, or any other program of the school district or county superintendent of schools.

48230. Children who hold permits to work shall be exempted, but such children shall be subject to compulsory attendance upon part-time classes.

48231. Notwithstanding Section 48201, pupils between 12 and 18 years of age who enter an attendance area from another state within 10 schooldays before the end of the school term during which such entrance occurs are exempt for the remainder of the school term.

48232. Notwithstanding any other provision of law, a child who will be 15 years old at the time a leave of absence is to begin may take a leave of absence from school for a period of up to one semester, if all of the following conditions are satisfied: (a) The school district governing board adopts a written policy to allow pupil leaves of absence consistent with this section. (b) The purpose of the leave is supervised travel, study, training, or work not available to the pupil under another education option. (c) A written agreement is entered into that is signed by the child's parent or guardian, the principal or administrative officer of the school which the child would otherwise attend, a classroom teacher familiar with the child's academic progress selected by the child, and the district supervisor of child welfare and attendance, and that provides for all of the following: (1) The purpose of the leave. (2) The length of time the child will be on leave. (3) A meeting between, or contact with, the child and a school official designated in the agreement at least once a month while the child is on leave. (4) A statement incorporating the provisions contained in subdivision (b). (d) The child shall be entitled to return to school at any time. No child who takes a leave of absence shall be penalized from completing his or her academic requirements within a time period equal to that of classmates who did not take a leave of absence, plus a period of time equal to the leave of absence. However, when a child reenrolls at any time other than the beginning of a semester, the school shall not be required to give makeup sessions during that semester for the classes that the child has missed. (e) A leave of absence may be extended for an additional semester upon approval by all parties to the written agreement and the local school attendance review board. (f) No leave of absence may be taken that would continue past the end of the school year in which the leave is taken. (g) If the pupil does not contact the designated school official as stipulated in the written agreement, the leave of absence shall be nullified. Any party to the written agreement may nullify the agreement for cause at any time. (h) No more than 1 percent of the pupils enrolled and in attendance at each school shall be permitted to take a leave of absence during each academic year.

COLORADO

Section 22-33-104.5: *Home-based education - legislative declaration - definitions - guidelines.*

(1) The general assembly hereby declares that it is the primary right and obligation of the parent to choose the proper education and training for children under his care and supervision. It is recognized that *home-based* education is a legitimate alternative to classroom attendance for the instruction of children and that any regulation of non-public *home-based* educational programs should be sufficiently flexible to accommodate a variety of circumstances. The general assembly further declares that non-public *home-based* educational programs shall be subject only to minimum state controls which are currently applicable to other forms of non-public education.

(2) As used in this section: (a) "Non-public *home-based* educational program" means the sequential program of instruction for the education of a child which takes place in a *home*, which is provided by the child's parent or by an adult relative of the child designated by the parent, and which is not under the supervision and control of a school district. This educational program is not intended to be and does not qualify as a private and nonprofit school. (b) Parent" includes a parent or guardian. (c) "Qualified person" means an individual who is selected by the parent of a child who is participating in a non-public *home-based* educational program to evaluate such child's progress and who is a teacher certified pursuant to article 60 of this title, a teacher who is employed by an independent or parochial school, a licensed psychologist, or a person with a graduate degree in education.

(3) The following guidelines shall apply to a non-public *home-based* educational program: (a) A parent or an adult relative designated by a parent to provide instruction in a non-public *home-based* educational program shall not be subject to the requirements of the "Teacher Certification Act of 1975", article 60 of this title, nor to the provisions of article 61 of this title relating to teacher employment. (b) A child who is participating in a non-public *home-based* educational program shall not be subject to compulsory school attendance as provided in this article, except that any child who is habitually truant, as defined in section 22-33-107 (3), at any time during the last six months that the child attended school before proposed enrollment in a non-public *home-based* educational program may not be enrolled in the program unless the child's parents first submit a written description of the curricula to be used in the program along with the written notification of establishment of the program required in paragraph (e) of subsection (2) of this section to the superintendent of the child's school district of residence. (c) A non-public *home-based* educational program shall include no less than one hundred seventy-two days of instruction, averaging four instructional contact hours per day. (d) A non-public *home-based* educational program shall include, but need not be limited to, communication skills of reading, writing, and speaking, mathematics, history, civics, literature, science, and regular courses of instruction in the constitution of the United States as provided in section 22-1-108. (e) Any parent establishing a non-public *home-based* educational program shall provide written notification of the establishment of said program to the local school district of residence fourteen days prior to the establishment of said program and each year thereafter if the program is maintained. The parent in charge and in control of a non-public *home-based* educational program shall certify, in writing, only a statement containing the name, age, place of residence, and number of hours of attendance of each child enrolled in said program. (f) Each child participating in a non-public *home-based* educational program shall be evaluated when such child reaches grades three, five, seven, nine, and eleven. Each child shall be given a nationally standardized achievement test to evaluate the child's academic progress, or a qualified person shall evaluate the child's academic progress. The test or evaluation results, whichever is appropriate, shall be submitted to the local school district of residence or an independent or parochial school within the state of Colorado. If the test or evaluation results are submitted to an independent or parochial school, the name of such school shall be provided to the local school district of residence. The purpose of such tests or evaluations shall be to evaluate the educational progress of each child. (g) The records of each child participating in a non-public *home-based* educational program shall be maintained on a permanent basis by the parent in charge and in control of said program. The records shall include, but need not be limited to, attendance data, test and evaluation results, and immunization records, as required by sections 25-4-901, 25-4-902, and 25-4-903, C.R.S. Such records shall be produced to the local school district of residence upon fourteen days' written notice if the superintendent of said school district has probable cause to believe that said program is not in compliance with the guidelines established in this subsection (3).

(4) Any child who has participated in a non-public *home-based* educational program and who subsequently enrolls in the public school

system may be tested by the school district for the purpose of placing the child in the proper grade and shall then be placed at the grade level deemed most appropriate by the local school district of residence.

(5) (a) (I) If test results submitted to the local school district of residence pursuant to the provisions of paragraph (f) of subsection (3) of this section show that a child participating in a non-public *home-based* educational program received a composite score on said test which was above the thirtieth percentile, such child shall continue to be exempt from the compulsory school attendance requirement of this article. If the child's composite score on said test is at or below the thirtieth percentile, the local school district of residence shall require the parents to place said child in a public or independent or parochial school until the next testing period; except that no action shall be taken until the child is given the opportunity to be retested using an alternate version of the same test or a different nationally standardized achievement test selected by the parent from a list of approved tests supplied by the state board. (II) If evaluation results submitted to the local school district of residence pursuant to the provisions of paragraph (f) of subsection (3) of this section show that the child is making sufficient academic progress according to the child's ability, the child will continue to be exempt from the compulsory school attendance requirement of this article. If the evaluation results show that the child is not making sufficient academic progress, the local school district of residence shall require the child's parents to place the child in a public or independent or parochial school until the next testing period. (b) If the child's test or evaluation results are submitted to an independent or parochial school, said school shall notify the local school district of residence if the composite score on said test was at or below the thirtieth percentile or if the evaluation results show that the child is not making sufficient academic progress. The local school district of residence shall then require the parents to proceed in the manner specified in paragraph (a) of this subsection (5). (6) (a) If a child is participating in a non-public *home-based* educational program but also attending his local school district of residence for a portion of the school day, the local school district of residence shall be entitled to count such child in accordance with the provisions of section 22-54-103 (10) for purposes of determining pupil enrollment under the "Public School Finance Act of 1994", article 54 of this title. (b) For purposes of this subsection (6), a child who is participating in a non-public *home-based* educational program may participate on an equal basis in any extracurricular or interscholastic activity offered by a public school or offered by a private school, at the private school's discretion, as provided in section 22-32-116.5. (c) No child participating in an extracurricular or interscholastic activity pursuant to paragraph (b) of this subsection (6) shall be considered attending the public school district where the child participates in such activity for purposes of determining pupil enrollment under paragraph (a) of this subsection (6). (d) As used in this subsection (6), "extracurricular or interscholastic activities" shall have the same meaning as "activity" as set forth in section 22-32-116.5 (10). (e) If any fee is collected pursuant to this subsection (6) for participation in an activity, the fee shall be used to fund the particular activity for which it is charged and shall not be expended for any other purpose.

CONNECTICUT

Section 10-184: Duties of parents.

All parents and those who have the care of children shall bring them up in some lawful and honest employment and instruct them or cause them to be instructed in reading, writing, spelling, English grammar, geography, arithmetic and United States history and in citizenship, including a study of the town, state and federal governments. Each parent or other person having control of a child seven years of age and over and under sixteen years of age shall cause such child to attend a public day school regularly during the hours and terms the public school in the district wherein such child resides is in session, or while the school is in session in which provision for the instruction of such child is made according to law, unless the parent or person having control of such child is able to show that the child is elsewhere receiving equivalent instruction in the studies taught in the public schools.

(1949 Rev., S. 1445, 1959, P.A. 198, S. 1, P.A. 78-218, S. 116, P.A. 86-333, S. 8, 32.)

History: 1959 act deleted requirement that private instruction be given during hours and terms of public school sessions; P.A. 78-218 substituted "seven years of age and over" for "over seven"; P.A. 86-333 deleted exception for employed children over fourteen years of age.

See Sec. 10-185 re penalty for noncompliance with provisions of this section. Words "those who have the care of children" equivalent to parents or guardians. 59 C. 489. Statute to receive a liberal construction. 59 C. 492. State can compel school attendance but cannot compel public school attendance for those who choose to seek, and can find, equivalent elsewhere. 147 C. 374. Cited 148 C. 238; 149 C. 720. Education made compulsory because it is so important. 172 C. 615, 647. Cited 193 C. 93, 99102. Cited 218 C. 1, 7. Cited 228 C. 640, 641, 649. Cited 34 CA 567, 572. Statute widely applied, no denial of equal protection. 29 CS 397. Cited 36 CS 357, 358.

Section 10-184a: Refusal of certain parents to consent to use of special education programs or services.

The provisions of sections 10-76a to 10-76h, inclusive, shall not be construed to require any local, regional or state board of education to provide special education programs or services for any child whose parent or guardian has chosen to educate such child in a *home* or private school in accordance with the provisions of section 10-184 and who refuses to consent to such programs or services.

(P.A. 94-245, S. 43, 46.)

History: P.A. 94-245 effective July 1, 1994.

Section 10-184b: Waiver provisions not applicable to equivalent instruction authority of parents.

Notwithstanding any provision of the general statutes or public or special act granting the Commissioner of Education the authority to waive provisions of the general statutes, the Commissioner of Education shall not limit the authority of parents or guardians to provide for equivalent instruction pursuant to section 10-184.

(P.A. 94-245, S. 44, 46.)

History: P.A. 94-245 effective July 1, 1994.

Section 10-185: Penalty.

Each day's failure on the part of a person to comply with any provision of section 10-184 shall be a distinct offense, punishable by a fine not exceeding twenty-five dollars. Said penalty shall not be incurred when it appears that the child is destitute of clothing suitable for attending school and the parent or person having control of such child is unable to provide such clothing. All offenses concerning the same child shall be charged in separate counts in one complaint. When a complaint contains more than one count, the court may give sentence on one or more counts and suspend sentence on the remaining counts. If, at the end of twelve weeks from the date of the sentence, it appears that the child concerned has attended school regularly during that time, judgment on such remaining counts shall not be executed.

(1949 Rev., S. 1446; P.A. 78-218, S. 117, P.A. 90-240, S. 4, 6, 90-325, S. 19, 32.)

History: P.A. 78-218 deleted provision excluding from penalty parents or those in charge of children whose mental or physical condition renders instruction inexpedient or impracticable; P.A. 90-240 increased the penalty for failure to comply with Sec. 10-184 from five dollars a week to twenty-five dollars a day; P.A. 90-325 changed effective date of P.A. 90-240 from July 1, 1990, to July 1, 1991. Cited 193 C. 93, 101. Cited 36 CS 357, 358.

DELAWARE

Section 2702: Compulsory attendance requirements; evaluation of readiness.

(a) Except as otherwise set forth in this section, every person in the State having control of a child between 5 years of age and 16 years of age shall send such child to a free public school, in the district of the residence of the parents, except as determined in accordance with Chapter 6 of this title, and shall send the child to such school each day of the minimum school term of 180 days and to any academic improvement activities which the child is required to attend in conformity with § 153 of this title. For the purposes of this section, a child shall be considered 5 years of age if he or she celebrates his or her fifth birthday according to the following schedule:

1993-94 school year Fifth birthday on or before November 30, 1993.
1994-95 school year Fifth birthday on or before October 31, 1994.
1995-96 school year Fifth birthday on or before September 30, 1995.
1996-97 school year Fifth birthday on or before August 31, 1996.
Subsequent school years Fifth birthday on or before August 31 of the respective year.

Local school authorities may grant exceptions to the above schedule for entry into school if they determine that such exception is in the best interest of the child.

(b) The following provisions shall be applicable to the administration of subsection (a) of this section in regard to compulsory attendance in the kindergarten for a child age 5 years: (1) If a child is a resident of the State at the time of his or her eligibility for admission to the kindergarten at age 5, the parents, guardian or legal custodian of that child may request that school authorities evaluate the child's readiness for attendance and may request a delay of 1 year in that attendance. However, admission to first grade will be authorized only after school authorities evaluate the child's readiness for attendance. (2) If a child was not a resident of the State at the time of his or her eligibility for admission to the kindergarten at age 5, the parents, guardian or legal custodian of that child may request that school authorities evaluate the child's readiness for attendance and on the basis of that evaluation authorize admission to grade 1.

(c) The following provisions shall be applicable in regard to statewide minimum mandatory attendance requirements in each school year for children in grades K through 5: (1) Following the 10th day of unexcused absence by a student, the school shall immediately notify the parent(s) or guardian and a visiting teacher for the district shall visit the student's home; (2) Following the 15th day of unexcused absence by a student, the student's parent(s) or guardian shall be notified by certified mail to appear at the school within 10 days of notification for a conference and counseling; (3) Following the 30th day of unexcused absence by a student, the school shall refer the case for prosecution; (4) Following the completion of prosecution of the case and the subsequent failure of the student to return to school within 5 school days thereof, the school shall immediately notify the Department of Services for Children, Youth and Their Families requesting intervention services by the Department. The Department shall contact the family within 10 business days.

(d) If contacted by the school pursuant to subdivision (c)(1) of this section, each parent or guardian of a student shall sign a contract with the district agreeing they will make every reasonable effort to: (1) have their child or children abide by the school code of conduct; (2) make certain their child attends school regularly; and (3) provide written documentation for the reasons for any absence.

(e) Any day of summer school, any session of after school or Saturday extra instruction, or any session of mentoring which a child is required to attend as an academic improvement activity in conformity with § 153 of this title shall be considered a school day for purposes of this chapter, and for purposes of § 901 of Title 10, § 1103 of Title 11, and § 301 of Title 31 of this Code, or wherever the term school day or its equivalent is used in a provision of this Code designed to minimize or punish truancy.

(24 Del. Laws, c. 121, § 1; Code 1915, § 2313; 32 Del. Laws, c. 160, § 41; Code 1935, § 2685; 14 Del. C. 1953, § 2702; 49 Del. Laws, c. 403, §§ 1-3; 57 Del. Laws, c. 112; 60 Del. Laws, c. 449, § 3; 63 Del. Laws, c. 290, § 2; 64 Del. Laws, c. 315, §§ 6, 7; 69 Del. Laws, c. 28, § 2; 70 Del. Laws, c. 517, § 1; 71 Del. Laws, c. 36, § 1; 71 Del. Laws, c. 399, §§ 3, 4.)

Section 2703: Private school attendance or other educational instruction.

(a) Section 2702 of this title shall not apply to any student enrolled in a private school who is receiving regular and thorough instruction in the subjects prescribed for the public schools of the State in a manner suitable to children of the same age and stage of advancement, provided that such private school is subject to and in compliance with Section 2704 of this title. For the purposes of this section, any student who is *home-schooled* in affiliation with a *home school* association or organization registered with the Department of Education shall also be exempt from the provisions of Section 2702 of this title.

(b) The provisions of Section 2702 of this title shall not apply to any student who is *home-schooled* and who is not affiliated with a *home school* association or organization registered with the Department of Education; provided, that the student's instruction is accomplished under the auspices of the local school district superintendent of the district in which the student resides. The local superintendent shall determine in writing that the student is or will be provided with regular and thorough instruction in the subjects prescribed for the public schools of the State in a manner suitable to children of the same age and stage of advancement.

(24 Del. Laws, c. 121, § 1; Code 1915, § 2313; 32 Del. Laws, c. 160, § 41; Code 1935, § 2685; 14 Del. C. 1953, § 2703; 49 Del. Laws, c. 403, § 4; 57 Del. Laws, c. 113; 63 Del. Laws, c. 290, § 3; 71 Del. Laws, c. 180, § 131.)

DISTRICT OF COLUMBIA

Section 31-402: Establishment of school attendance requirements.

(a) Every parent, guardian, or other person, who resides permanently or temporarily in the District during any school year and who has custody or control of a minor who has reached the age of 5 years or will become 5 years of age on or before December 31st of the current school year shall place the minor in regular attendance in a public, independent, private, or parochial school, or in private instruction during the period of each year when the public schools of the District are in session. This obligation of the parent, guardian, or other person having custody extends until the minor reaches the age of 18 years. For the purpose of this section placement in summer school is not required.

(b) Any minor who has satisfactorily completed the senior high school course of study prescribed by the Board and has been granted a diploma that certifies his or her graduation from high school, or who holds a diploma or certificate of graduation from another course of study determined by the Board to be at least equivalent to that required by the Board for graduation from the public senior high schools, shall be excused from further attendance at school.

(c) Any minor who has reached the age of 17 years may be allowed flexible school hours by the Superintendent of Schools provided he or she is actually, lawfully, gainfully, and regularly employed, but in no case shall he or she be excused entirely from regular attendance or excused to the extent that his or her timely graduation would be jeopardized or prevented.

(d) The Board shall, pursuant to subchapter 1 of Chapter 15 of Title 1, issue rules to establish requirements to govern acceptable credit for studies completed at independent or private schools and private instruction, to govern the validity of applications for permission to be

absent from school, to govern the selection and appointment of appropriate staff members to carry out the provisions of this chapter under the direction of the Superintendent of Schools, pursuant to Chapter 6 of Title 1, and in respect to other matters within the scope of authority of the Board that relates to this subchapter.

(Feb. 4, 1925, 43 Stat. 806, ch. 140, Art. I, §§ 1, 2, 1973 Ed., §§ 31-201, 31-202; renumbered as Art. II, § 1 and amended, Mar. 8, 1991, D.C. Law 8-247, § 2(a), 38 DCR 376.)

FLORIDA

Section 232.0201: Home education programs.

(1) Regular attendance as defined in Section 232.02 may be achieved by attendance in a *home education* program as defined in Section 228.041. The parent or guardian is not required to hold a valid regular Florida certificate to teach. (a) The parent or guardian shall notify the superintendent of schools of the county in which the parent or guardian resides of her or his intent to establish and maintain a *home education* program. The notice shall be in writing, signed by the parent or guardian, and shall include the names, addresses, and birthdates of all children who shall be enrolled as students in the *home education* program. The notice shall be filed in the superintendent's office within 30 days of the establishment of the *home education* program. A written notice of termination of the *home education* program shall be filed in the superintendent's office within 30 days of said termination. (b) The parent or guardian shall maintain a portfolio of records and materials. The portfolio shall consist of the following: 1. A log of educational activities which is made contemporaneously with the instruction and which designates by title any reading materials used. 2. Samples of any writings, worksheets, workbooks, or creative materials used or developed by the student. The portfolio shall be preserved by the parent or guardian for 2 years and shall be made available for inspection by the superintendent, or the superintendent's agent, upon 15 days' written notice. Nothing in this section shall require the superintendent to inspect the portfolio. (c) The parent or guardian shall provide for an annual educational evaluation in which is documented the pupil's demonstration of educational progress at a level commensurate with her or his ability. The parent or guardian shall select the method of evaluation and shall file a copy of the evaluation annually with the superintendent's office in the county in which the pupil resides. The annual educational evaluation shall consist of one of the following: 1. A teacher selected by the parent or guardian shall evaluate the pupil's educational progress upon review of the portfolio and discussion with the pupil. Such teacher shall hold a valid regular Florida certificate to teach academic subjects at the elementary or secondary level. 2. The pupil shall take any nationally normed student achievement test administered by a certified teacher. 3. The pupil shall take a state student assessment test used by the school district and administered by a certified teacher, at a location and under testing conditions approved by the school district. 4. The pupil shall be evaluated by an individual holding a valid, active license pursuant to the provisions of s. 490.003(7) or (8), or 5. The pupil shall be evaluated with any other valid measurement tool as mutually agreed upon by the school superintendent of the district in which the pupil resides and the pupil's parent or guardian.

(2) The school superintendent shall review and accept the results of the annual educational evaluation of the pupil in a *home education* program. If the pupil does not demonstrate educational progress at a level commensurate with her or his ability, the superintendent shall notify the parent or guardian, in writing, that such progress has not been achieved. The parent or guardian shall have 1 year from the date of receipt of the written notification to provide remedial instruction to the pupil. At the end of the 1-year probationary period, the pupil shall be reevaluated as specified in paragraph (1)(c). Continuation in a *home education* program shall be contingent upon the pupil demonstrating educational progress commensurate with her or his ability at the end of the probationary period.

(3) A *home education* program shall be excluded from meeting the requirements of a school day as defined in s. 228.041.

History--ss. 2, 3, ch. 85-144, s. 1, ch. 87-64, s. 16, ch. 87-252; s. 11, ch. 89-70; s. 26, ch. 90-306; s. 19, ch. 91-57; s. 1258, ch. 95-147; s. 52, ch. 95-228; s. 20, ch. 97-198; s. 212, ch. 97-264; s. 4, ch. 98-272.

GEORGIA

Section 20-2-690.

(a) This subpart recognizes the existence of public schools, private schools, and *home study* programs as educational entities.

(b) As used in this subpart, the term "private school" means an institution meeting the following criteria or requirements: (1) The primary purpose of the institution is to provide education or, if the primary purpose of the institution is religious in nature, the institution shall provide the basic academic educational program specified in paragraph (4) of this subsection; (2) The institution is privately controlled and operates on a continuing basis; (3) The institution provides instruction each 12 months for the equivalent of 180 school days of education with each school day consisting of at least four and one-half school hours; (4) The institution provides a basic academic educational program which includes, but is not limited to, reading, language arts, mathematics, social studies, and science; (5) Within 30 days after the beginning of each school year, it shall be the duty of the administrator of each private school to provide to the school superintendent of each local public school district which has residents enrolled in the private school a list of the name, age, and residence of each resident so enrolled. At the end of each school month, it shall be the duty of the administrator of each private school to notify the school superintendent of each local public school district of the name, age, and residence of each student residing in the public school district who enrolls or terminates enrollment at the private school during the immediately preceding school month. Such records shall indicate when attendance has been suspended and the grounds for such suspension. Enrollment records and reports shall not be used for any purpose except providing necessary enrollment information, except with the permission of the parent or guardian of a child, pursuant to the subpoena of a court of competent jurisdiction, or for certification of attendance by the Department of Public Safety for the purposes set forth in subsection (a.1) of Code Section 40-5-22; and (6) Any building used by the institution for private school purposes meets all health and safety standards established under state law and local ordinances.

(c) Parents or guardians may teach their children at *home* in a *home study* program which meets the following requirements: (1) The parent, parents, or guardian must submit within 30 days after the establishment of a *home study* program and by September 1 annually thereafter a declaration of intent to utilize a *home study* program to the superintendent of schools of the local school district in which the *home study* program is located. (2) The declaration shall include a list of the names and ages of the students who are enrolled in the *home study* program, the address where the *home study* program is located, and a statement of the 12 month period that is to be considered the school year for that *home study* program. Enrollment records and reports shall not be used for any purpose except providing necessary enrollment information, except with the permission of the parent or guardian of a child, pursuant to the subpoena of a court of competent jurisdiction, or for verification of attendance by the Department of Public Safety for the purposes set forth in subsection (a.1) of Code Section 40-5-22; (3) Parents or guardians may teach only their own children in the *home study* program, provided the teaching parent or guardian possesses at least a high school diploma or a general educational development (GED) equivalency diploma, but the parents or guardians may employ a tutor who holds at least a baccalaureate college degree to teach such children; (4) The *home study* program shall provide a basic academic educational program which includes, but is not limited to, reading,

language arts, mathematics, social studies, and science; (5) The *home study* program must provide instruction each 12 months to *home study* students equivalent to 180 school days of education with each school day consisting of at least four and one-half school hours unless the child is physically unable to comply with the rule provided for in this paragraph; (6) Attendance records for the *home study* program shall be kept and shall be submitted at the end of each month to the school superintendent of the local school district in which the *home study* program is located. Attendance records and reports shall not be used for any purpose except providing necessary attendance information, except with the permission of the parent or guardian of a child, pursuant to the subpoena of a court of competent jurisdiction, or for verification of attendance by the Department of Public Safety for the purposes set forth in subsection (a. 1) of Code Section 40-5-22; (7) Students in *home study* programs shall be subject to an appropriate nationally standardized testing program administered in consultation with a person trained in the administration and interpretation of norm reference tests to evaluate their educational progress at least every three years beginning at the end of the third grade and records of such tests and scores shall be retained but shall not be required to be submitted to public educational authorities; and (8) The *home study* program instructor shall write an annual progress assessment report which shall include the instructor's individualized assessment of the student's academic progress in each of the subject areas specified in paragraph (4) of this subsection, and such progress reports shall be retained by the parent, parents, or guardian of children in the *home study* program for a period of at least three years.

(d) Any person who operates a private school without complying with the requirements of subsection (b) of this Code section or any person who operates a *home study* program without complying with the requirements of subsection (c) of this Code section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not to exceed \$100.00.

(e) The State Board of Education shall devise, adopt, and make available to local school superintendents, who shall in turn make available to administrators of private schools and parents or guardians with children in *home study* programs, such printed forms and procedures as may be reasonably necessary to carry out efficiently the reporting provisions of this Code section, but such printed forms and procedures shall not be inconsistent with or exceed the requirements of this Code section.

HAWAII

Section 302A-1137: Attendance compulsory; exceptions.

(a) Unless excluded from school or excepted from attendance, all children who will have arrived at the age of at least six years, and who will not have arrived at the age of eighteen years, by January 1 of any school year, shall attend either a public or private school for, and during, the school year, and any parent, guardian, or other person having the responsibility for, or care of, a child whose attendance at school is obligatory shall send the child to either a public or private school. Attendance at a public or private school shall not be compulsory in the following cases: (1) Where the child is physically or mentally unable to attend school (deafness and blindness excepted), of which fact the certificate of a duly licensed physician shall be sufficient evidence; (2) Where the child, who has reached the fifteenth anniversary of birth, is suitably employed and has been excused from school attendance by the superintendent or the superintendent's authorized representative, or by a family court judge; (3) Where, upon investigation by the family court, it has been shown that for any other reason the child may properly remain away from school; (4) Where the child has graduated from high school; (5) Where the child is enrolled in an appropriate alternative educational program as approved by the superintendent or the superintendent's authorized representative in accordance with the plans and policies of the department, or notification of intent to *home school* has been submitted to the principal of the public school that the child would otherwise be required to attend in accordance with department

rules adopted to achieve this result; or (6) Where: (A) The child has attained the age of sixteen years; (B) The principal has determined that: (i) The child has engaged in behavior which is disruptive to other students, teachers, or staff; or (ii) The child's non-attendance is chronic and has become a significant factor that hinders the child's learning; and (C) The principal of the child's school, and the child's teacher or counselor, in consultation with the child and the child's parent, guardian, or other adult having legal responsibility for or care of the child, develops an alternative educational plan for the child. The alternative educational plan shall include a process that shall permit the child to resume school. The principal of the child's school shall file the plan made pursuant to subparagraph (C) with the child's school record. If the adult having legal responsibility for or care of the child disagrees with the plan, then the adult shall be responsible for obtaining appropriate educational services for the child.

(b) Any employer who employs a child who is excused from school attendance in accordance with subsection (a)(2) shall notify the child's school within three days upon termination of the child's employment.

[L. 1996, c. 89, pt. of § 2 and am. c. 162, § 2]

IDAHO

Section 33-202: School Attendance Compulsory.

The parent or guardian of any child resident in this state who has attained the age of seven (7) years at the time of the commencement of school in his district, but not the age of sixteen (16) years, shall cause the child to be instructed in subjects commonly and usually taught in the public schools of the state of Idaho. Unless the child is otherwise comparably instructed, the parent or guardian shall cause the child to attend a public, private or parochial school during a period in each year equal to that in which the public schools are in session, there to conform to the attendance policies and regulations established by the board of trustees, or other governing body operating the school attended.

ILLINOIS

Section 13-9: Children attending other schools or receiving private instruction.

Sections 13-1 to 13-8, inclusive, do not apply to children who attend private or parochial day schools or who are receiving equivalent educational training or instruction in the homes of their parents or guardians either by their parents or guardians or by private tutors provided by their parents or guardians.
(Source: Laws 1961, p. 31.)

INDIANA

Section 20-8.1.3-34: Compulsory Attendance for Full Term; Duty of Parent.

It is unlawful for a parent to fail, neglect or refuse to send his child to a public school for the full term as required under this chapter unless the child is being provided with instruction equivalent to that given in the public schools. This section does not apply during any period when the child is excused from attendance under this chapter.

(Formerly: Acts 1973, P.L. 218, SEC. 1.) As amended by Acts 1978, P.L. 2, SEC. 2004; Acts 1979, P.L. 87, SEC. 7.

IOWA

299.1: Attendance requirements.

Except as provided in section 299.2, the parent, guardian, or legal or actual custodian of a child who is of compulsory attendance age, shall

cause the child to attend some public school, an accredited nonpublic school, or competent private instruction in accordance with the provisions of chapter 299A, during a school year, as defined under section 279.10. The board of directors of a public school district or the governing body of an accredited nonpublic school shall set the number of days of required attendance for the schools under its control.

The board of directors of a public or the governing body of an accredited nonpublic school may, by resolution, require attendance for the entire time when the schools are in session in any school year and adopt a policy or rules relating to the reasons considered to be valid or acceptable excuses for absence from school.

Section 299.2: Exceptions.

Section 299.1 shall not apply to any child: 1. Who has completed the requirements for graduation in an accredited school or has obtained a high school equivalency diploma under chapter 259A. 2. Who is excused for sufficient reason by any court of record or judge. 3. While attending religious services or receiving religious instructions. 4. Who is attending a private college preparatory school accredited or probationally accredited under section 256.11, subsection 13. 5. Who has been excused under section 299.22. 6. Who is exempted under section 299.24.

Section 299A.3: Private instruction by nonlicensed person.

A parent, guardian, or legal custodian of a child of compulsory attendance age providing competent private instruction to the child shall meet all of the following requirements: 1. Complete and send, in a timely manner, the report required under section 299.4 to the school district of residence of the child. 2. Ensure that the child under the parent's, guardian's, or legal custodian's instruction is evaluated annually to determine whether the child is making adequate progress, as defined in section 299A.6. 3. Ensure that the results of the child's annual evaluation are reported to the school district of residence of the child and to the department of education by a date not later than June 30 of each year in which the child is under private instruction.

KANSAS

Section 72-1111: Compulsory school attendance; exemptions.

(a) Subject to the other provisions of this section, every parent or person acting as parent in the state of Kansas, who has control over or charge of any child who has reached the age of seven years and is under the age of 18 years and has not attained a high school diploma or a general educational development (GED) credential, shall require such child to attend continuously each school year (1) a public school for the duration of the school term provided for in K.S.A. 72-1106, and amendments thereto, or (2) a private, denominational or parochial school taught by a competent instructor for a period of time which is substantially equivalent to the period of time public school is maintained in the school district in which the private, denominational or parochial school is located. If the child is 16 or 17 years of age, the parent or person acting as parent, by written consent, or the court, pursuant to a court order, may allow the child to be exempt from the compulsory attendance requirements of this section.

(b) If the child is 16 or 17 years of age, the child shall be exempt from the compulsory attendance requirements of this section if (1) the child is regularly enrolled in a program recognized by the local board of education as an approved alternative educational program, or (2) the child and the parent or person acting as parent attend a final counseling session conducted by the school during which a disclaimer to encourage the child to remain in school or to pursue educational alternatives is presented to and signed by the child and the parent or person acting as parent. The disclaimer shall include information regarding the academic skills that the child has not yet achieved, the difference in future earning

power between a high school graduate and a high school drop out, and a listing of educational alternatives that are available for the child.

(c) Any child who is under the age of seven years, but who is enrolled in school, is subject to the compulsory attendance requirements of this section. Any such child may be withdrawn from enrollment in school at any time by a parent or person acting as parent of the child and thereupon the child shall be exempt from the compulsory attendance requirements of this section until the child reaches the age of seven years or is re-enrolled in school.

(d) Any child who is determined to be an exceptional child, except for an exceptional child who is determined to be a gifted child, under the provisions of the special education for exceptional children act is subject to the compulsory attendance requirements of such act and is exempt from the compulsory attendance requirements of this section.

(e) No child attending public school in this state shall be required to participate in any activity which is contrary to the religious teachings of the child if a written statement signed by one of the parents or a person acting as parent of the child is filed with the proper authorities of the school attended requesting that the child not be required to participate in such activities and stating the reason for the request.

(f) When a recognized church or religious denomination that objects to a regular public high school education provides, offers and teaches, either individually or in cooperation with another recognized church or religious denomination, a regularly supervised program of instruction, which is approved by the state board of education, for children of compulsory school attendance age who have successfully completed the eighth grade, participation in such a program of instruction by any such children whose parents or persons acting as parents are members of the sponsoring church or religious denomination shall be regarded as acceptable school attendance within the meaning of this act. Approval of such programs shall be granted by the state board of education, for two-year periods, upon application from recognized churches and religious denominations, under the following conditions: (1) Each participating child shall be engaged, during each day on which attendance is legally required in the public schools in the school district in which the child resides, in at least five hours of learning activities appropriate to the adult occupation that the child is likely to assume in later years; (2) acceptable learning activities, for the purposes of this subsection, shall include parent (or person acting as parent) supervised projects in agriculture and homemaking, work-study programs in cooperation with local business and industry, and correspondence courses from schools accredited by the national home study council, recognized by the United States office of education as the competent accrediting agency for private home study schools; (3) at least 15 hours per week of classroom work under the supervision of an instructor shall be provided, at which time students shall be required to file written reports of the learning activities they have pursued since the time of the last class meeting, indicating the length of time spent on each one, and the instructor shall examine and evaluate such reports, approve plans for further learning activities, and provide necessary assignments and instruction; (4) regular attendance reports shall be filed as required by law, and students shall be reported as absent for each school day on which they have not completed the prescribed minimum of five hours of learning activities; (5) the instructor shall keep complete records concerning instruction provided, assignments made, and work pursued by the students, and these records shall be filed on the first day of each month with the state board of education and the board of education of the school district in which the child resides; (6) the instructor shall be capable of performing competently the functions entrusted thereto; (7) in applying for approval under this subsection a recognized church or religious denomination shall certify its objection to a regular public high school education and shall specify, in such detail as the state board of education may reasonably require, the program of instruction that it intends to provide and no such program shall be approved unless it fully complies with standards therefor which shall be specified by the state board of education; (8) if the sponsors of an instructional program approved

under this subsection fail to comply at any time with the provisions of this subsection, the state board of education shall rescind, after a written warning has been served and a period of three weeks allowed for compliance, approval of the programs, even though the two-year approval period has not elapsed, and thereupon children attending such program shall be admitted to a high school of the school district.

(g) As used in this section, the terms "parent" and "person acting as parent" have the meanings respectively ascribed thereto in K.S.A. 72-1046, and amendments thereto.

History: L. 1874, ch. 123, § 1; L. 1903, ch. 423, § 1; L. 1919, ch. 272, § 1; L. 1923, ch. 182, § 1; R.S. 1923, 72-4801; L. 1965, ch. 409, § 1; L. 1968, ch. 356, § 1; L. 1969, ch. 316, § 1; L. 1976, ch. 310, § 1; L. 1980, ch. 217, § 3; L. 1984, ch. 263, § 1; L. 1996, ch. 229, § 121; L. 1997, ch. 157, § 1; July 1.

Section 72-1113: Same; noncompliance; duties of boards of education, secretary of social and rehabilitation services, county and district attorneys; notification of absence to parents.

(a) Each board of education shall designate one or more employees who shall report to the secretary of social and rehabilitation services, or a designee thereof, all cases of children who are less than 13 years of age and are not attending school as required by law, and to the appropriate county or district attorney, or a designee thereof, all cases of children who are 13 or more years of age but less than 18 years of age and are not attending school as required by law. The designation shall be made no later than September 1 of each school year and shall be certified no later than 10 days thereafter by the board of education to the secretary of social and rehabilitation services, or the designee thereof, to the county or district attorney, or the designee thereof, and to the commissioner of education. The commissioner of education shall compile and maintain a list of the designated employees of each board of education.

(b) Whenever a child is required by law to attend school, and the child is not enrolled in a public or nonpublic school, the child shall be considered to be not attending school as required by law and a report thereof shall be made in accordance with the provisions of subsection (a) by a designated employee of the board of education of the school district in which the child resides. The provisions of this subsection are subject to the provisions of subsection (d).

(c) (1) Whenever a child is required by law to attend school and is enrolled in school, and the child is inexcusably absent therefrom on either three consecutive school days or five school days in any semester or seven school days in any school year, whichever of the foregoing occurs first, the child shall be considered to be not attending school as required by law. A child is inexcusably absent from school if the child is absent therefrom all or a significant part of a school day without a valid excuse acceptable to the school employee designated by the board of education to have responsibility for the school attendance of such child.

(2) Each board of education shall adopt rules for determination of valid excuse for absence from school and for determination of what shall constitute a "significant part of a school day" for the purpose of this section. (3) Each board of education shall designate one or more employees, who shall each be responsible for determining the acceptability and validity of offered excuses for absence from school of specified children, so that a designee is responsible for making such determination for each child enrolled in school. (4) Whenever a determination is made in accordance with the provisions of this subsection that a child is not attending school as required by law, the designated employee who is responsible for such determination shall make a report thereof in accordance with the provisions of subsection (a). (5) The provisions of this subsection are subject to the provisions of subsection (d).

(d) (1) Prior to making any report under this section that a child is not attending school as required by law, the designated employee of the

board of education shall serve written notice thereof, by personal delivery or by first class mail, upon a parent or person acting as parent of the child. The notice shall inform the parent or person acting as parent that continued failure of the child to attend school without a valid excuse will result in a report being made to the secretary of social and rehabilitation services or to the county or district attorney. Upon failure, on the school day next succeeding personal delivery of the notice or within three school days after the notice was mailed, of attendance at school by the child or of an acceptable response, as determined by the designated employee, to the notice by a parent or person acting as parent of the child, the designated employee shall make a report thereof in accordance with the provisions of subsection (a). The designated employee shall submit with the report a certificate verifying the manner in which notice was provided to the parent or person acting as parent. (2)

Whenever a law enforcement officer assumes temporary custody of a child who is found away from home or school without a valid excuse during the hours school is actually in session, and the law enforcement officer delivers the child to the school in which the child is enrolled or to a location designated by the school in which the child is enrolled to address truancy issues, the designated employee of the board of education shall serve notice thereof upon a parent or person acting as parent of the child. The notice may be oral or written and shall inform the parent or person acting as parent of the child that the child was absent from school without a valid excuse and was delivered to school by a law enforcement officer.

(e) Whenever the secretary of social and rehabilitation services receives a report required under this section, the secretary shall investigate the matter. If, during the investigation, the secretary determines that the reported child is not attending school as required by law, the secretary shall institute proceedings under the code for care of children. If, during the investigation, the secretary determines that a criminal prosecution should be considered, the secretary shall make a report of the case to the appropriate law enforcement agency.

(f) Whenever a county or district attorney receives a report required under this section, the county or district attorney shall investigate the matter. If, during the investigation, the county or district attorney determines that the reported child is not attending school as required by law, the county or district attorney shall prepare and file a petition alleging that the child is a child in need of care. If, during the investigation, the county or district attorney determines that a criminal prosecution is necessary, the county or district attorney shall commence the same.

(g) As used in this section, "board of education" means the board of education of a school district or the governing authority of a nonpublic school. The provisions of this act shall apply to both public and nonpublic schools.

History: L. 1969, ch. 316, § 2; L. 1972, ch. 254, § 1; L. 1973, ch. 279, § 1; L. 1976, ch. 145, § 231; L. 1982, ch. 182, § 141; L. 1986, ch. 158, § 3; L. 1989, ch. 215, § 1; L. 1991, ch. 221, § 1; L. 1995, ch. 29, § 3.1; 1996, ch. 229, § 122; L. 1997, ch. 157, § 2; July 1.

KENTUCKY

Section 159.010: Parent or custodian to send child to school - Age limits for compulsory attendance - Notification and counseling prior to withdrawal.

(1) Except as provided in KRS 159.030, each parent, guardian, or other person residing in the state and having in custody or charge any child who has entered the primary school program or any child between the ages of six (6) and sixteen (16) shall send the child to a regular public day school for the full term that the public school of the district in which the child resides is in session or to the public school that the board of education of the district makes provision for the child to attend. A child's age is between six (6) and sixteen (16) when the child has reached his sixth birthday and has not passed his sixteenth birthday.

(2) An unmarried child between the ages of sixteen (16) and eighteen (18) who wishes to terminate his public or nonpublic education prior to graduating from high school shall do so only after a conference with the principal or his designee, and the principal shall request a conference with the parent, guardian, or other custodian. Written notification of withdrawal must be received from his parent, guardian, or other person residing in the state and having custody or charge of him. The parent(s) and child shall be required to attend a one (1) hour counseling session with a school counselor on potential problems of nongraduates.

(3) A child's age is between sixteen (16) and eighteen (18) when the child has reached his sixteenth birthday and has not passed his eighteenth birthday. Written permission for withdrawal shall not be required after the child's eighteenth birthday. Every child actually resident in this state is subject to the laws relating to compulsory attendance, and neither he nor the person in charge of him shall be excused from the operation of those laws or the penalties under them on the ground that the child's residence is seasonable or that his parent is a resident of another state.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 611, sec. 1, effective July 15, 1998. -- Amended 1990 Ky. Acts ch. 476, Pt. I, sec. 29, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 312, sec. 1, effective July 15, 1988. -- Amended 1985 (1st Extra. Sess.) Ky. Acts ch. 10, sec. 42, effective October 18, 1985. -- Amended 1984 Ky. Acts ch. 74, sec. 1, effective July 13, 1984. -- Amended 1978 Ky. Acts ch. 136, sec. 3, effective July 1, 1979. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4434-1, 4434-18. Trml

Section 159.030: Exemptions from compulsory attendance.

(1) The board of education of the district in which the child resides shall exempt from the requirement of attendance upon a regular public day school every child of compulsory school age: (a) Who is a graduate from an accredited or an approved four (4) year high school; or (b) Who is enrolled and in regular attendance in a private, parochial, or church regular day school. It shall be the duty of each private, parochial, or church regular day school to notify the local board of education of those students in attendance at the school. If a school declines, for any reason, to notify the local board of education of those students in attendance, it shall so notify each student's parent or legal guardian in writing, and it shall then be the duty of the parent or legal guardian to give proper notice to the local board of education; or (c) Who is less than seven (7) years old and is enrolled and in regular attendance in a private kindergarten-nursery school; or (d) Whose physical or mental condition prevents or renders inadvisable attendance at school or application to study; or (e) Who is enrolled and in regular attendance in private, parochial, or church school programs for exceptional children; or (f) Who is enrolled and in regular attendance in a state-supported program for exceptional children; (g) For purposes of this section, "church school" shall mean a school operated as a ministry of a local church, group of churches, denomination, or association of churches on a nonprofit basis.

(2) Before granting an exemption under subsection (1)(d) of this section the Kentucky Board of Education shall require satisfactory evidence, in the form of a signed statement of a licensed physician, advanced registered nurse practitioner, psychologist, psychiatrist, or public health officer, that the condition of the child prevents or renders inadvisable attendance at school or application to study. On the basis of such evidence the board may exempt the child from compulsory attendance. Any child who is excused from school attendance more than six (6) months shall have two (2) signed statements from a combination of the following professional persons: a licensed physician, advanced registered nurse practitioner, psychologist, psychiatrist, and health officer. Exemptions of all children under the provisions of subsection (1)(d) of this section shall be reviewed annually with the evidence required being updated.

(3) For any child who is excluded under the provisions of subsection (1)(d) of this section, home, hospital, institutional, or other regularly scheduled and suitable instruction meeting standards, rules and regulations of the Kentucky Board of Education shall be provided.

Effective: July 15, 1998

Section 159.040: Attendance at private and parochial schools.

Attendance at private and parochial schools shall be kept by the authorities of such schools in a register provided by the Kentucky Board of Education, and such school authorities shall make attendance and scholarship reports in the same manner as is required by law or by regulation of the Kentucky Board of Education of public school officials. Such schools shall at all times be open to inspection by directors of pupil personnel and officials of the Department of Education.

Effective: July 15, 1996

History: Amended 1996 Ky. Acts ch. 362, sec. 6, effective July 15, 1996. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 410, effective July 13, 1990. -- Amended 1966 Ky. Acts ch. 89, sec. 2. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4434-3.

LOUISIANA

No information is available.

MAINE

Section 5022: Admission to regular program.

1. Placement. A student who has been receiving *home-school* instruction and who seeks admission to the regular school program must be placed in a grade commensurate with the level of the student's academic achievement. Placement must be guided by the following. A. Grade level placement is determined by the locally designated appropriate school staff, based upon but not limited to such factors as the student's completed curricula and record of achievement, conferencing with the student's parent or guardian and administration of tests, if determined necessary. [1995, c. 610, §1 (new).] B. The final grade level placement decision is based upon local school unit policy and procedures. That decision may be appealed to the school unit superintendent and, if desired, subsequently to the local school board, whose decision is final. [1995, c. 610, §1 (new).]

2. High school course credits and diploma eligibility. The following standards govern the awarding of course credits and a graduation diploma to a student receiving *home-school* instruction who seeks admission to the public high school. A. A student shall earn high school credits for satisfactory completion of courses in the public high school pursuant to section 5021, subsection 2, paragraph A. [1995, c. 610, §1 (new).] B. A student may earn credit for course work completed through *home-school* instruction if the principal determines both in advance and upon completion of the course that the course satisfies the requirements for awarding the credit. The principal may direct that the student undergo a test or tests to assist in making a determination relative to the awarding of credit. [1995, c. 610, §1 (new).] C. Requests for transfer credit for equivalent instruction completed at nonapproved private schools, at private schools that elect not to meet requirements under section 2901 or through other equivalent instruction programs must be evaluated on the merits of the documentation provided. The principal and guidance staff shall conduct these evaluations on request by the student or the student's parent or guardian. [1995, c. 610, §1 (new).] D. Awarding of a high school diploma by the local school is conditioned upon the student's demonstration of having satisfied all course credit or other requirements established by the local school board. The local

board of directors may establish resident credit requirements as a precondition for the awarding of a local school unit diploma. [1995, c. 610, §1 (new)]

MARYLAND

Section 7-301:

(a) (1) Except as otherwise provided in this section, each child who resides in this State and is 5 years old or older and under 16 shall attend a public school regularly during the entire school year unless the child is otherwise receiving regular, thorough instruction during the school year in the studies usually taught in the public schools to children of the same age. (2) In accordance with regulations of the State Board of Education, a child who resides in this State and is 5 years old may be exempted from mandatory school attendance for 1 year if the child's parent or guardian files a written request with the local school system asking that the child's attendance be delayed due to the child's level of maturity. (3) Except as provided in subsection (f) of this section or in regulations of the State Board of Education, each child who resides in this State shall attend a kindergarten program regularly during the school year prior to entering the first grade unless the child is otherwise receiving regular, thorough instruction in the skills and studies usually taught in a kindergarten program of a public school.

(b) A county superintendent, school principal, or an individual authorized by the county superintendent or principal may excuse a student for a lawful absence.

(c) Each person who has legal custody or care and control of a child who is 5 years old or older and under 16 shall see that the child attends school or receives instruction as required by this section.

(d) (1) This section applies to any child who has a mental, emotional, or physical handicap. (2) This section does not apply to a child: (i) Whose mental, emotional, or physical condition makes his instruction detrimental to his progress, or (ii) Whose presence in school presents a danger of serious physical harm to others. (3) With the advice of the school principal, supervisor, pupil personnel supervisor, or visiting teacher and with the written recommendation of a licensed physician or a State Department of Education certified or licensed psychologist, the county superintendent may: (i) Make other appropriate provisions for the free education of any student excepted from attendance under paragraph (2) of this subsection; or (ii) Permit the parents or guardians of that student to withdraw him from public school, for as long as the attendance of the child in a public school would be detrimental to his progress or his presence in school would present a danger of serious physical harm to others. (4) If a child is withdrawn from a public school under this subsection, the county board shall make other appropriate provisions for the education of the child. (5) If an appropriate educational placement is not available immediately, the county board shall make interim provisions for the education of the child until an appropriate placement becomes available.

(e) (1) Any person who induces or attempts to induce a child to absent himself unlawfully from school or employs or harbors any child who is absent unlawfully from school while school is in session is guilty of a misdemeanor and on conviction is subject to a fine not to exceed \$500 or imprisonment not to exceed 30 days, or both. (2) Any person who has legal custody or care and control of a child who is 5 years old or older and under 16 who fails to see that the child attends school or receives instruction under this section is guilty of a misdemeanor and: (i) For a first conviction is subject to a fine not to exceed \$50 per day of unlawful absence or imprisonment not to exceed 10 days, or both; and (ii) For a second or subsequent conviction is subject to a fine not to exceed \$100 per day of unlawful absence or imprisonment not to exceed 30 days, or both. (3) As to any sentence imposed under this section, the court may suspend the fine or the prison sentence and establish terms and conditions which would promote the child's attendance. The suspension authority provided for in this subsection is in addition to and not in

limitation of the suspension authority under Article 27, § 641A of the Code.

(f) A child may be exempted from attending kindergarten if a parent or guardian of the child files a written request with the local school system and verifies that the child is enrolled: (1) Full time in a licensed child care center; (2) Full time in a registered family day care home; or (3) Part time in a Head Start 5 year old program.

(g) Kindergarten programs are not subject to the requirements of § 7-103(a) of this title relating to minimum days or hours of operation.

MASSACHUSETTS

Section 76-1: School attendance; requirements and exceptions.

Section 1. Every child between the minimum and maximum ages established for school attendance by the board of education, except a child between fourteen and sixteen who meets the requirements for the completion of the sixth grade of the public school as established by said board and who holds a permit for employment in private domestic service or service on a farm, under section eighty-six of chapter one hundred and forty-nine, and is regularly employed thereunder for at least six hours per day, or a child between fourteen and sixteen who meets said requirements and has the written permission of the superintendent of schools of the town where he resides to engage in non-wage-earning employment at home, or a child over fourteen who holds a permit for employment in a cooperating employment, as provided in said section eighty-six, shall, subject to section fifteen, attend a public day school in said town, or some other day school approved by the school committee, during the number of days required by the board of education in each school year, unless the child attends school in another town, for said number of days, under sections six to twelve, inclusive, or attends an experimental school project established under an experimental school plan, as provided in section one G of chapter fifteen, but such attendance shall not be required of a child whose physical or mental condition is such as to render attendance inexpedient or impracticable subject to the provisions of section three of chapter seventy-one B or of a child granted an employment permit by the superintendent of schools when such superintendent determines that the welfare of such child will be better served through the granting of such permit, or of a child who is being otherwise instructed in a manner approved in advance by the superintendent or the school committee. The superintendent of schools may transfer to any specialized type of school on a full-time basis any child who possesses the educational qualifications enumerated in this section and in the opinion of the superintendent would be benefited by such transfer. The superintendent, or teachers in so far as authorized by him or by the school committee, may excuse cases of necessary absence for other causes not exceeding seven day sessions or fourteen half day sessions in any period of six months. Absences may also be permitted for religious education at such times as the school committee may establish, provided, that no public funds shall be appropriated or expended for such education or for transportation incidental thereto; and provided, further, that such time shall be no more than one hour each week. For the purposes of this section, school committees shall approve a private school when satisfied that the instruction in all the studies required by law equals in thoroughness and efficiency, and in the progress made therein, that in the public schools in the same town; but shall not withhold such approval on account of religious teaching, and, in order to protect children from the hazards of traffic and promote their safety, cities and towns may appropriate money for conveying pupils to and from any schools approved under this section.

Except as herein provided, pupils who attend approved private schools of elementary and high school grades shall be entitled to the same rights and privileges as to transportation to and from school as are provided by law for pupils of public schools and shall not be denied such transportation because their attendance is in a school which is conducted under religious auspices or includes religious instruction in its curriculum. Each school committee shall provide transportation for any

pupil attending such an approved private school within the boundaries of the school district, provided, however, that the distance between said pupil's residence and the private school said pupil attends exceeds two miles or such other minimum distance as may be established by the school committee for transportation of public school students. Any school committee which is required by law to transport any pupil attending an approved private school beyond the boundaries of the school district shall not be required to do so further than the distance from the residence of such pupil to the public school he is entitled to attend.

The school committee of each town shall provide for and enforce the school attendance of all children actually residing therein in accordance herewith.

The terms "permit for employment" and "employment permit", as used in this chapter, shall mean an employment permit referred to in section eighty-six of chapter one hundred and forty-nine.

MICHIGAN

Section 380.1561 Compulsory attendance at public school; enrollment dates; exceptions.

(1) Except as otherwise provided in this section, every parent, guardian, or other person in this state having control and charge of a child from the age of 6 to the child's sixteenth birthday shall send that child to a public school during the entire school year. The child's attendance shall be continuous and consecutive for the school year fixed by the school district in which the child is enrolled. In a school district that maintains school during the entire calendar year and in which the school year is divided into quarters, a child is not required to attend the public school more than 3 quarters in 1 calendar year, but a child shall not be absent for 2 or more consecutive quarters.

(2) A child becoming 6 years of age before December 1 shall be enrolled on the first school day of the school year in which the child's sixth birthday occurs. A child becoming 6 years of age on or after December 1 shall be enrolled on the first school day of the school year following the school year in which the child's sixth birthday occurs.

(3) A child is not required to attend a public school in any of the following cases: (a) The child is attending regularly and is being taught in a state approved nonpublic school, which teaches subjects comparable to those taught in the public schools to children of corresponding age and grade, as determined by the course of study for the public schools of the district within which the nonpublic school is located. (b) The child is less than 9 years of age and does not reside within 2-1/2 miles by the nearest traveled road of a public school. If transportation is furnished for pupils in the school district of the child's residence, this subdivision does not apply. (c) The child is age 12 or 13 and is in attendance at confirmation classes conducted for a period of 5 months or less. (d) The child is regularly enrolled in a public school while in attendance at religious instruction classes for not more than 2 class hours per week, off public school property during public school hours, upon written request of the parent, guardian, or person in loco parentis under rules promulgated by the state board. (e) The child has graduated from high school or has fulfilled all requirements for high school graduation. (f) The child is being educated at the child's home by his or her parent or legal guardian in an organized educational program in the subject areas of reading, spelling, mathematics, science, history, civics, literature, writing, and English grammar.

(4) For a child being educated at the child's home by his or her parent or legal guardian, exemption from the requirement to attend public school may exist under either subsection (3)(a) or (3)(f), or both.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1995, Act 289, Eff. July 1, 1996;—Am. 1996, Act 339, Eff. July 1, 1996.

MINNESOTA

Section 120A.22: Compulsory instruction.

Subdivision 1. Parental responsibility. The parent of a child is primarily responsible for assuring that the child acquires knowledge and skills that are essential for effective citizenship.

Subdivision 2. Applicability. This section and sections 120A.24, 120A.26, 120A.28, 120A.30, 120A.32, and 120A.34 apply only to a child required to receive instruction according to subdivision 5 and to instruction that is intended to fulfill that requirement.

Subdivision 3. Parent defined; residency determined. (a) In this section and sections 120A.24, 120A.26, and 120A.41, "parent" means a parent, guardian, or other person having legal custody of a child. (b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian, or other person having legal custody of a child under age 18. For an unmarried pupil age 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator. (c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and who is placed in a center for care and treatment, shall be the school district in which the pupil's biological or adoptive parent or designated guardian resides. (d) For a married pupil age 18 or over, the school district of residence is the school district in which the married pupil resides.

Subdivision 4. School defined. For the purpose of compulsory attendance, a "school" means a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17, or a nonpublic school, church or religious organization, or home-school in which a child is provided instruction in compliance with this section and section 120A.24.

Subdivision 5. Ages and terms. (a) Every child between seven and 16 years of age must receive instruction. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction. Except as provided in subdivision 6, a parent may withdraw a child under the age of seven from enrollment at any time. (b) A school district by annual board action may require children subject to this subdivision to receive instruction in summer school. A district that acts to require children to receive instruction in summer school shall establish at the time of its action the criteria for determining which children must receive instruction.

Subdivision 6. Children under seven. (a) Once a pupil under the age of seven is enrolled in kindergarten or a higher grade in a public school, the pupil is subject to the compulsory attendance provisions of this chapter and section 120A.34, unless the board of the district in which the pupil is enrolled has a policy that exempts children under seven from this subdivision. (b) In a district in which children under seven are subject to compulsory attendance under this subdivision, paragraphs (c) to (e) apply. (c) A parent or guardian may withdraw the pupil from enrollment in the school for good cause by notifying the district. Good cause includes, but is not limited to, enrollment of the pupil in another school, as defined in subdivision 4, or the immaturity of the child. (d) When the pupil enrolls, the enrolling official must provide the parent or guardian who enrolls the pupil with a written explanation of the provisions of this subdivision. (e) A pupil under the age of seven who is withdrawn from enrollment in the public school under paragraph (c) is no longer subject to the compulsory attendance provisions of this chapter. (f) In a district that had adopted a policy to exempt children under seven from this subdivision, the district's chief attendance officer must keep the truancy enforcement authorities supplied with a copy of the board's current policy certified by the clerk of the board.

Subdivision 7. Education records. (a) A district from which a student is transferring must transmit the student's educational records, within ten business days of a request, to the district in which the student is

enrolling. Districts must make reasonable efforts to determine the district in which a transferring student is next enrolling in order to comply with this subdivision. (b) A school district that transmits a student's educational records to another school district or other educational entity to which the student is transferring must include in the transmitted records information about disciplinary action taken as a result of any incident in which the student possessed or used a dangerous weapon.

Subdivision. 8. Withdrawal from school. Any student between 16 and 18 years old who seeks to withdraw from school, and the student's parent or guardian must: (1) attend a meeting with school personnel to discuss the educational opportunities available to the student, including alternative educational opportunities; and (2) sign a written election to withdraw from school.

Subdivision. 9. Curriculum. Instruction must be provided in at least the following subject areas: (1) basic communication skills including reading and writing, literature, and fine arts; (2) mathematics and science; (3) social studies including history, geography, and government; and (4) health and physical education.

Instruction, textbooks, and materials must be in the English language. Another language may be used pursuant to sections 124D.59 to 124D.61.

Subdivision. 10. Requirements for instructors. A person who is providing instruction to a child must meet at least one of the following requirements:

(1) hold a valid Minnesota teaching license in the field and for the grade level taught; (2) be directly supervised by a person holding a valid Minnesota teaching license; (3) successfully complete a teacher competency examination; (4) provide instruction in a school that is accredited by an accrediting agency, recognized according to section 123B.445 or recognized by the commissioner; (5) hold a baccalaureate degree; or (6) be the parent of a child who is assessed according to the procedures in subdivision 11. Any person providing instruction in a public school must meet the requirements of clause (1).

Subdivision. 11. Assessment of performance. (a) Each year the performance of every child who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination. (b) To the extent the examination in paragraph (a) does not provide assessment in all of the subject areas in subdivision 9, the parent must assess the child's performance in the applicable subject area. This requirement applies only to a parent who provides instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3). (c) If the results of the assessments in paragraphs (a) and (b) indicate that the child's performance on the total battery score is at or below the 30th percentile or one grade level below the performance level for children of the same age, the parent must obtain additional evaluation of the child's abilities and performance for the purpose of determining whether the child has learning problems. (d) A child receiving instruction from a nonpublic school, person, or institution that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner, is exempt from the requirements of this subdivision.

Subdivision. 12. Legitimate exemptions. A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board: (1) that the child's bodily or mental condition is such as to prevent attendance at school or application to study for the

period required; or (2) that for the school years 1988-1989 through 1999-2000 the child has already completed the studies ordinarily required in the 10th grade and that for the school years beginning with the 2000-2001 school year the child has already completed the studies ordinarily required to graduate from high school; or (3) that it is the wish of the parent, guardian, or other person having control of the child, that the child attend for a period or periods not exceeding in the aggregate three hours in any week, a school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction must be conducted and maintained in a place other than a public school building, and it must not, in whole or in part, be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

Subdivision. 13. Issuing and reporting excuses. The clerk or any authorized officer of the board must issue and keep a record of such excuses, under such rules as the board may from time to time establish.

HIST: Ex1959 c 71 art 1 s 10 subds 2,3; 1961 c 567 s 1; 1967 c 82 s 1; 1969 c 161 s 1,2; 1974 c 326 s 1; 1975 c 162 s 3; 1977 c 306 s 14; 1977 c 447 art 7 s 2,3; 1978 c 616 s 2; 1978 c 706 s 1; 1980 c 609 art 3 s 2; 1Sp1985 c 12 art 7 s 3; 1986 c 444; 1986 c 472 s 1-3; 1987 c 178 s 1,9; 1988 c 718 art 7 s 19,20; 1989 c 296 s 1,2; 1991 c 265 art 7 s 2; 1993 c 224 art 9 s 13,14; 1994 c 465 art 2 s 9,10; 1994 c 647 art 4 s 1; art 9 s 3; 1Sp1995 c 3 art 9 s 3,4; 1Sp1997 c 4 art 6 s 1-2; art 7 s 3; 1998 c 397 art 1 s 29-35,58; art 11 s 3; 1998 c 398 art 2 s 5; art 5 s 4; art 5 s 55.

Copyright 1999 by the Office of Revisor of Statutes, State of Minnesota.

MISSISSIPPI

Section 37-13-91: Compulsory school attendance requirements generally; enforcement of law.

This section shall be referred to as the "Mississippi Compulsory School Attendance Law." The following terms as used in this section are defined as follows:

"Parent" means the father or mother to whom a child has been born, or the father or mother by whom a child has been legally adopted.

"Guardian" means a guardian of the person of a child, other than a parent, who is legally appointed by a court of competent jurisdiction.

"Custodian" means any person having the present care or custody of a child, other than a parent or guardian of the child.

"School day" means not less than five (5) and not more than eight (8) hours of actual teaching in which both teachers and pupils are in regular attendance for scheduled schoolwork.

"School" means any public school in this state or any nonpublic school in this state which is in session each school year for at least one hundred eighty (180) school days, except that the "nonpublic" school term shall be the number of days that each school shall require for promotion from grade to grade.

"Compulsory-school-age child" means a child who has attained or will attain the age of six (6) years on or before September 1 of the calendar year and who has not attained the age of seventeen (17) years on or before September 1 of the calendar year.

"School attendance officer" means a person employed by the State Department of Education pursuant to Section 37-13-89.

"Appropriate school official" means the superintendent of the school district or his designee or, in the case of a nonpublic school, the principal or the headmaster.

"Nonpublic school" means an institution for the teaching of children, consisting of a physical plant, whether owned or leased, including a home, instructional staff members and students, and which is in session each school year. This definition shall include, but not be limited to, private, church, parochial and home instruction programs.

A parent, guardian or custodian of a compulsory-school-age child in this state shall cause the child to enroll in and attend a public school or legitimate nonpublic school for the period of time that the child is of compulsory school age, except under the following circumstances: When a compulsory-school-age child is physically, mentally or emotionally incapable of attending school as determined by the appropriate school official based upon sufficient medical documentation. When a compulsory-school-age child is enrolled in and pursuing a course of special education, remedial education or education for handicapped or physically or mentally disadvantaged children. When a compulsory-school-age child is being educated in a legitimate home instruction program.

The parent, guardian or custodian of a compulsory-school-age child described in this subsection, or the parent, guardian or custodian of a compulsory-school-age child attending any nonpublic school, or the appropriate school official for any or all children attending a nonpublic school shall complete a "certificate of enrollment" in order to facilitate the administration of this section. The form of the certificate of enrollment shall be prepared by the Office of Compulsory School Attendance Enforcement of the State Department of Education and shall be designed to obtain the following information only: The name, address, telephone number and date of birth of the compulsory-school-age child; The name, address and telephone number of the parent, guardian or custodian of the compulsory-school-age child; A simple description of the type of education the compulsory-school-age child is receiving and, if the child is enrolled in a nonpublic school, the name and address of the school; and The signature of the parent, guardian or custodian of the compulsory-school-age child or, for any or all compulsory-school-age child or children attending a nonpublic school, the signature of the appropriate school official and the date signed.

The certificate of enrollment shall be returned to the school attendance officer where the child resides on or before September 15 of each year. Any parent, guardian or custodian found by the school attendance officer to be in noncompliance with this section shall comply, after written notice of the noncompliance by the school attendance officer, with this subsection within ten (10) days after the notice or be in violation of this section. However, in the event the child has been enrolled in a public school within fifteen (15) calendar days after the first day of the school year as required in subsection (6), the parent or custodian may at a later date enroll the child in a legitimate nonpublic school or legitimate home instruction program and send the certificate of enrollment to the school attendance officer and be in compliance with this subsection.

For the purposes of this subsection, a legitimate nonpublic school or legitimate home instruction program shall be those not operated or instituted for the purpose of avoiding or circumventing the compulsory attendance law.

An "unlawful absence" is an absence during a school day by a compulsory-school-age child, which absence is not due to a valid excuse for temporary nonattendance. Days missed from school due to disciplinary suspension shall not be considered an "excused" absence under this section. This subsection shall not apply to children enrolled in a nonpublic school.

Each of the following shall constitute a valid excuse for temporary nonattendance of a compulsory-school-age child enrolled in

a public school, provided satisfactory evidence of the excuse is provided to the superintendent of the school district or his designee: An absence is excused when the absence results from the compulsory-school-age child's attendance at an authorized school activity with the prior approval of the superintendent of the school district or his designee. These activities may include field trips, athletic contests, student conventions, musical festivals and any similar activity. An absence is excused when the absence results from illness or injury which prevents the compulsory-school-age child from being physically able to attend school. An absence is excused when isolation of a compulsory-school-age child is ordered by the county health officer, by the State Board of Health or appropriate school official. An absence is excused when it results from the death or serious illness of a member of the immediate family of a compulsory-school-age child. The immediate family members of a compulsory-school-age child shall include children, spouse, grandparents, parents, brothers and sisters, including stepbrothers and stepsisters. An absence is excused when it results from a medical or dental appointment of a compulsory-school-age child where an approval of the superintendent of the school district or his designee is gained before the absence, except in the case of emergency. An absence is excused when it results from the attendance of a compulsory-school-age child at the proceedings of a court or an administrative tribunal if the child is a party to the action or under subpoena as a witness. An absence may be excused if the religion to which the compulsory-school-age child or the child's parents adheres, requires or suggests the observance of a religious event. The approval of the absence is within the discretion of the superintendent of the school district or his designee, but approval should be granted unless the religion's observance is of such duration as to interfere with the education of the child. An absence may be excused when it is demonstrated to the satisfaction of the superintendent of the school district or his designee that the purpose of the absence is to take advantage of a valid educational opportunity such as travel including vacations or other family travel. Approval of the absence must be gained from the superintendent of the school district or his designee before the absence, but the approval shall not be unreasonably withheld. An absence may be excused when it is demonstrated to the satisfaction of the superintendent of the school district or his designee that conditions are sufficient to warrant the compulsory-school-age child's nonattendance. However, no absences shall be excused by the school district superintendent or his designee when any student suspensions or expulsions circumvent the intent and spirit of the compulsory attendance law.

Any parent, guardian or custodian of a compulsory-school-age child subject to this section who refuses or willfully fails to perform any of the duties imposed upon him or her under this section or who intentionally falsifies any information required to be contained in a certificate of enrollment, shall be guilty of contributing to the neglect of a child and, upon conviction, shall be punished in accordance with Section 97-5-39.

Upon prosecution of a parent, guardian or custodian of a compulsory-school-age child for violation of this section, the presentation of evidence by the prosecutor that shows that the child has not been enrolled in school within eighteen (18) calendar days after the first day of the school year of the public school which the child is eligible to attend, or that the child has accumulated twelve (12) unlawful absences during the school year at the public school in which the child has been enrolled, shall establish a prima facie case that the child's parent, guardian or custodian is responsible for the absences and has refused or willfully failed to perform the duties imposed upon him or her under this section. However, no proceedings under this section shall be brought against a parent, guardian or custodian of a compulsory-school-age child unless the school attendance officer has contacted promptly the home of the child and has provided written notice to the parent, guardian or custodian of the requirement for the child's enrollment or attendance.

If a compulsory-school-age child has not been enrolled in a school within fifteen (15) calendar days after the first day of the school year of the school which the child is eligible to attend or the child has

accumulated five (5) unlawful absences during the school year of the public school in which the child is enrolled, the school district superintendent shall report, within two (2) school days or within five (5) calendar days, whichever is less, the absences to the school attendance officer. The State Department of Education shall prescribe a uniform method for schools to utilize in reporting the unlawful absences to the school attendance officer. The superintendent, or his designee, also shall report any student suspensions or student expulsions to the school attendance officer when they occur.

When a school attendance officer has made all attempts to secure enrollment and/or attendance of a compulsory-school-age child and is unable to effect the enrollment and/or attendance, the attendance officer shall file a petition with the youth court under Section 43-21-451 or shall file a petition in a court of competent jurisdiction as it pertains to parent or child. The youth court shall expedite a hearing to make an appropriate adjudication and a disposition to ensure compliance with the Compulsory School Attendance Law, and may order the child to enroll or reenroll in school. The superintendent of the school district to which the child is ordered may assign, in his discretion, the child to the alternative school program of the school established pursuant to Section 37-13-92.

The State Board of Education shall adopt rules and regulations for the purpose of reprimanding any school superintendents who fail to timely report unexcused absences under the provisions of this section. Notwithstanding any provision or implication herein to the contrary, it is not the intention of this section to impair the primary right and the obligation of the parent or parents, or person or persons in loco parentis to a child, to choose the proper education and training for such child, and nothing in this section shall ever be construed to grant, by implication or otherwise, to the State of Mississippi, any of its officers, agencies or subdivisions any right or authority to control, manage, supervise or make any suggestion as to the control, management or supervision of any private or parochial school or institution for the education or training of children, of any kind whatsoever that is not a public school according to the laws of this state; and this section shall never be construed so as to grant, by implication or otherwise, any right or authority to any state agency or other entity to control, manage, supervise, provide for or affect the operation, management, program, curriculum, admissions policy or discipline of any such school or *home instruction* program.

Sources: Laws, 1977, ch. 483, § 1; Laws 1982, Ex Sess. ch. 17, § 21; Laws 1987, ch. 460, 1991, ch. 308, § 1; Laws 1991, ch. 539, § 2; Laws 1992, ch. 516, § 1; Laws 1992, ch. 524, § 8; Laws 1993, ch. 543, § 3; Laws 1994, ch. 604, § 1; Laws 1995, ch. 570, § 1; Laws 1998, ch. 566, § 6, eff from and after July 1, 1998.

§ 37-13-92. Alternative school program for compulsory-school-age students; transportation of students; expenses.

MISSOURI

Section 167.031: School attendance compulsory, who may be excused--nonattendance, penalty--home school, definition, requirements--school year defined--daily log, defense to prosecution.

1. Every parent, guardian or other person in this state having charge, control or custody of a child not enrolled in a public, private, Parochial, parish school or full-time equivalent attendance in a combination of such schools and between the ages of seven and sixteen years is responsible for enrolling the child in a program of academic instruction which complies with subsection 2 of this section. Any parent, guardian or other person who enrolls a child between the ages of five and seven years in a public school program of academic instruction shall cause such child to attend the academic program on a regular basis, according to this section. Nonattendance by such child shall cause such parent, guardian or other responsible person to be in violation of the provisions of section 167.061, except as provided by this section. A parent, guardian or other person in this state having charge, control, or custody of a child between

the ages of seven and sixteen years of age shall cause the child to attend regularly some public, private, parochial, parish, *home school* or a combination of such schools not less than the entire school term of the school which the child attends, except that (1) A child who, to the satisfaction of the superintendent of public schools of the district in which he resides, or if there is no superintendent then the chief school officer, is determined to be mentally or physically incapacitated may be excused from attendance at school for the full time required, or any part thereof, (2) A child between fourteen and sixteen years of age may be excused from attendance at school for the full time required, or any part thereof, by the superintendent of public schools of the district, or if there is none then by a court of competent jurisdiction, when legal employment has been obtained by the child and found to be desirable, and after the parents or guardian of the child have been advised of the pending action, or (3) A child between five and seven years of age shall be excused from attendance at school if a parent, guardian or other person having charge, control or custody of the child makes a written request that the child be dropped from the school's rolls.

2. (1) As used in sections 167.031 to 167.071, a "*home school*" is a school, whether incorporated or unincorporated, that: (a) Has as its primary purpose the provision of private or religious-based instruction; (b) Enrolls pupils between the ages of seven and sixteen years, of which no more than four are unrelated by affinity or consanguinity in the third degree; and (c) Does not charge or receive consideration in the form of tuition, fees, or other remuneration in a genuine and fair exchange for provision of instruction; (2) As evidence that a child is receiving regular instruction, the parent shall: (a) Maintain the following records: a. A plan book, diary, or other written record indicating subjects taught and activities engaged in; and b. A portfolio of samples of the child's academic work; and c. A record of evaluations of the child's academic progress; or d. Other written, or credible evidence equivalent to subparagraphs a., b. and c.; and (b) Offer at least one thousand hours of instruction, at least six hundred hours of which will be in reading, language arts, mathematics, social studies and science or academic courses that are related to the aforementioned subject areas and consonant with the pupil's age and ability. At least four hundred of the six hundred hours shall occur at the regular *home school* location.

3. Nothing in this section shall require a private, parochial, parish or *home school* to include in its curriculum any concept, topic, or practice in conflict with the school's religious doctrines or to exclude from its curriculum any concept, topic, or practice consistent with the school's religious doctrines. Any other provision of the law to the contrary notwithstanding, all departments or agencies of the state of Missouri shall be prohibited from dictating through rule, regulation or other device any statewide curriculum for private, parochial, parish or *home schools*.

4. A school year begins on the first day of July and ends on the thirtieth day of June following.

5. The production by a parent of a daily log showing that a *home school* has a course of instruction which satisfies the requirements of this section shall be a defense to any prosecution under this section and to any charge or action for educational neglect brought pursuant to chapter 210, RSMo.

(L. 1963 p. 200 § 8-3, A.L. 1977 H.B. 130, A.L. 1986 S.B. 795, A.L. 1990 S.B. 740, A.L. 1993 S.B. 380) (Source: RSMo 1959 § 164.010) CROSS REFERENCE: Average daily attendance defined for apportionment of school money, RSMo 163.011 (1995) This section, with section 160.051, establishes a property interest in certain education. State ex rel. Clint Yarber v. McHenry, 915 S.W.2d 325 (Mo. banc 1995).

MONTANA

Section 20-5-102. Compulsory enrollment and excuses.

(1) Except as provided in subsection (2), any parent, guardian, or other person who is responsible for the care of any child who is 7 years of age or older prior to the first day of school in any school fiscal year shall cause the child to be instructed in the program prescribed by the board of public education pursuant to 20-7-111 until the later of the following dates: (a) the child's 16th birthday; (b) the date of completion of the work of the 8th grade.

(2) A parent, guardian, or other person shall enroll the child in the school assigned by the trustees of the district within the first week of the school term or when he establishes residence in the district unless the child is: (a) enrolled in a school of another district or state under any of the tuition provisions of this title; (b) provided with supervised correspondence study or supervised home study under the transportation provisions of this title; (c) excused from compulsory school attendance upon a determination by a district judge that attendance is not in the best interest of the child; (d) excused by the board of trustees upon a determination that attendance by a child who has attained the age of 16 is not in the best interest of the child and the school; or (e) enrolled in a nonpublic or home school that complies with the provisions of 20-5-109. For the purposes of this subsection (e), a home school is the instruction by a parent of his child, stepchild, or ward in his residence and a nonpublic school includes a parochial, church, religious, or private school.

History: En. 75-6303 by Sec. 116, Ch. 5, L. 1971; amd. Sec. 1, Ch. 389, L. 1971; amd. Sec. 3, Ch. 91, L. 1973; amd. Sec. 2, Ch. 137, L. 1975; R.C.M. 1947, 75-6303; amd. Sec. 1, Ch. 504, L. 1979; amd. Sec. 1, Ch. 355, L. 1983; amd. Sec. 1, Ch. 249, L. 1991.

Section 20-5-103: Compulsory attendance and excuses.

(1) Except as provided in subsection (2), any parent, guardian, or other person who is responsible for the care of any child who is 7 years of age or older prior to the first day of school in any school fiscal year shall cause the child to attend the school in which he is enrolled for the school term and each school day therein prescribed by the trustees of the district until the later of the following dates: (a) the child's 16th birthday; (b) the date of completion of the work of the 8th grade.

(2) The provisions of subsection (1) do not apply in the following cases: (a) The child has been excused under one of the conditions specified in 20-5-102. (b) The child is absent because of illness, bereavement, or other reason prescribed by the policies of the trustees. (c) The child has been suspended or expelled under the provisions of 20-5-202.

History: En. 75-6304 by Sec. 117, Ch. 5, L. 1971; amd. Sec. 8, Ch. 266, L. 1977; R.C.M. 1947, 75-6304; amd. Sec. 2, Ch. 504, L. 1979.

NEBRASKA

Section 79-201: Compulsory education; attendance required.

Except as provided in section 79-202, every person residing in a school district within the State of Nebraska who has legal or actual charge or control of any child who is not less than seven years of age and not more than sixteen years of age or who is younger than seven years of age and is enrolled in any public school shall cause such child to attend regularly the public, private, denominational, or parochial day schools which meet the requirements for legal operation prescribed in Chapter 79 each day that such schools are open and in session, except when excused by school authorities, unless such child has graduated from high school. Any person with legal or actual charge or control of a child

younger than seven years of age who is enrolled in a public school may discontinue the enrollment of such child pursuant to the policy of the school board. All school boards shall adopt policies allowing discontinuation of the enrollment of students younger than seven years of age and specifying the procedures therefor. The school term shall be as provided in section 79-211.

NEVADA

Sections 392.040 - 392.125: Attendance, Compulsory and Excused Attendance, Retention.

NRS 392.040. Attendance in public school required for child between 7 and 17 years of age; conditions for admission of child 6 years of age. [Effective until July 1, 1999]

NRS 392.040. Attendance required for child between 7 and 17 years of age; minimum age required for kindergarten and first grade; waiver from attendance available for child 6 years of age; developmental screening test required of certain children to determine placement. [Effective July 1, 1999]

NRS 392.050. Attendance excused if child has physical or mental condition that prevents or renders inadvisable his attendance or application to study; trustees to make available to child with disability free appropriate public education.

NRS 392.060. Attendance excused upon completion of 12 grades of elementary and high school.

NRS 392.070. Child receiving equivalent, approved instruction excused from attendance.

NRS 392.080. Attendance excused for distant residence from nearest school.

NRS 392.090. District court may permit child who has completed eighth grade to leave school.

NRS 392.100. Attendance excused if child 14 years of age or older must support himself or his parent.

NRS 392.110. Child between 14 and 17 years of age who has completed eighth grade excused from full-time attendance for employment or apprenticeship; written permit required.

NRS 392.118. Accounting of attendance and tardiness on report cards of pupils.

NRS 392.122. Minimum attendance required for promotion to next grade; information to parents concerning duty to comply with provisions governing attendance and truancy.

NRS 392.125. Retention of pupil in same grade. Requirements; limitation; exception for charter schools.

NEW HAMPSHIRE

Section 193-A: Home Education Definitions.

I. "Child" means a child or children at least 6 years of age and under 16 years of age who is a resident of New Hampshire.

II. "Nonpublic school" means a nonpublic school approved pursuant to rules adopted by the state board of education and administered by the department of education and which has agreed to administer the relevant provisions of this chapter.

III. "Parent" means a parent, guardian, or person having legal custody of a child.

IV. "Resident district" means the school district in which the child resides.

Section 193-A:2: Program Established.

There is established the home education program to be administered by the department of education.

Section 193-A:3: Rulemaking.

The state board of education shall adopt rules, pursuant to RSA 541-A, relative to administering the *home education* program.

Section 193-A:5: Notification and Other Procedural Requirements.

A parent may provide *home education* to a child or children at home, subject to the following requirements:

I. Any parent commencing a *home education* program for a child, for a child who withdraws from a public school, or for a child who moves into a school district shall notify the commissioner of education, resident district superintendent, or principal of a nonpublic school of such within 30 days. Subject to the provisions of RSA 193-A:7, I, the commissioner of education shall acknowledge in writing that the parent shall be permitted to initiate a *home education* program for a child enrolled in a public or nonpublic school if the program meets the minimum definitional and educational requirements as provided in RSA 193-A:4, I and paragraph II of this section.

II. Notification made by the parent pursuant to paragraph I shall include a list of the names, addresses, and birth dates of all children who are participating in the *home education* program and a list of the subjects to be taught each child in accordance with RSA 193-A:4, I. A description of such subjects shall also be provided which shall include: (a) The name of an established correspondence school used, if any; (b) The name of an established commercial curriculum provider used, if any; (c) A table of contents or other material which outlines the scope of and instructional sequence for each subject, or both; and (d) A list of textbooks or other instructional materials used.

III. Written notice of termination of a *home education* program shall be filed by the parent with the commissioner of education, and, in addition, the resident district superintendent or nonpublic school principal within 15 days of said termination.

IV. Subject to the provisions of RSA 193-A:7, I, the commissioner of education, resident district superintendent, or nonpublic school principal shall acknowledge receipt of notification within 21 days of such receipt.

Section 193-A:6: Records; Evaluation.

I. The parent shall maintain a portfolio of records and materials relative to the *home education* program. The portfolio shall consist of a log which designates by title the reading materials used, and also samples of writings, worksheets, workbooks, or creative materials used or developed by the child. Such portfolio shall be preserved by the parent for 2 years from the date of the ending of the instruction.

II. The parent shall provide for an annual educational evaluation in which is documented the child's demonstration of educational progress at a level commensurate with the child's age and ability. The child shall be deemed to have successfully completed his annual evaluation upon meeting the requirements of any one of the following: (a) A certified teacher or a teacher currently teaching in a nonpublic school who is selected by the parent shall evaluate the child's educational progress upon review of the portfolio and discussion with the parent or child. The teacher shall submit a written evaluation to the commissioner of education, resident district superintendent, or nonpublic school principal; (b) The child shall take any national student achievement test, administered by a person who meets the qualifications established by the provider or publisher of the test. Composite results at or above the fortieth percentile on such tests shall be deemed reasonable academic proficiency. Such test results shall be reported to the commissioner of education, resident district superintendent, or nonpublic school principal; (c) The child shall take a state student assessment test used by the resident district. Composite results at or above the fortieth percentile on such state test shall be deemed reasonable academic proficiency. Such test results shall be reported to the commissioner of education, the resident district superintendent, or nonpublic school principal; or (d) The child shall be evaluated using any other valid measurement tool

mutually agreed upon by the parent and the commissioner of education, resident district superintendent, or nonpublic school principal. The results shall be reported by the parent or the testing agency to such appropriate official.

III. The commissioner of education, resident district superintendent, or nonpublic school principal shall review the results of the annual educational evaluation of the child in a *home education* program as provided in paragraph II. If the child does not demonstrate educational progress for age and ability at a level commensurate with his ability, the commissioner, superintendent, or principal shall notify the parent, in writing, that such progress has not been achieved. The parent shall have one year from the date of receipt of the written notification to provide remedial instruction to the child. At the end of the one-year probationary period, the child shall be reevaluated in a manner as provided in this section. Continuation in a *home education* program shall be contingent upon the child demonstrating at the end of the probationary period educational progress commensurate with his age and ability. The parent of a child who fails to demonstrate such progress at the end of the probationary period shall be notified by the commissioner that the parent is entitled to a hearing as provided in RSA 193-A:7, III and IV and that the program will be terminated absent a finding for continuation pursuant to such hearing. Upon a finding that the program should be terminated, the child shall be reported by the commissioner or nonpublic school principal to the appropriate resident district superintendent, who shall, if necessary, take appropriate action to ensure that compulsory attendance requirements are met.

Section 193-A:7: Hearing; Notice and Procedure.

I. Prior to the acknowledgment of notification as provided in RSA 193-A:5, I, if the commissioner has written and substantiated information which strongly implies that a *home education* program will not meet the requirements of RSA 193-A:4, I and RSA 193-A:5, II and that, based on such information, the commissioner decides to withhold acknowledgment, he shall immediately schedule a due process hearing as provided in paragraph III. In order to be granted acknowledgment of notification by the commissioner, the parent at such hearing shall establish, and the hearing officer shall so find, that both the parent and the *home education* program will comply with RSA 193-A:4, I and RSA 193-A:5, II.

II. After acknowledgment of notification as provided in RSA 193-A:5, I, if the commissioner has written and substantiated information which would justify an order of termination pursuant to paragraph IV, and, based upon said information he intends to seek termination of such program, he shall request a hearing as provided in paragraph III.

III. A parent shall be entitled to a due process hearing pursuant to paragraphs I and II which shall be conducted by an impartial hearing officer appointed by the commissioner of education. Notice of such hearing shall be provided within 10 days of the request for such hearing, shall include a brief summary of the material facts, and shall be sent to each parent and each instructor of the child known to the commissioner. The hearing shall occur within 30 days of the date of such notice. Upon request, the hearing officer shall conduct the hearing at a location near the site of the *home education* program.

IV. In order to terminate a program, the hearing officer shall find at the hearing at least one of the following: (a) The parent has failed to comply with the requirements of this chapter, or (b) The parent or the *home education* program has substantially failed to or cannot provide a child with the minimum course of study as required by RSA 193-A:4, I.

Section 193-A:8: Order; Appeals.

I. Subsequent to a hearing conducted in accordance with RSA 193-A:7, I or II, the hearing officer shall enter an order within 10 working days which shall order either the continuance or termination of the *home education* program under scrutiny. Such order shall take effect

immediately. A copy shall be given to the appropriate superintendent of schools, who shall, if necessary, take appropriate action to ensure that compulsory attendance requirements are met.

II. Following such order, the parent or the commissioner may appeal the decision of the hearing officer to a court of competent jurisdiction. Said notice of appeal shall be filed within 30 days of such decision by the hearing officer. Pending appeal, the *home education* program shall continue.

Section 193-A-9: Liability Limited.

The resident school district, the board of such district, and any employees of the resident school district associated with a child who is receiving *home education* in accordance with this chapter, are not liable in damages in a civil action for any injury, death or loss to person or property allegedly sustained by that child, his parent, or any other person as a result of the child's receipt of *home education*, including but not limited to, any liability allegedly based on the failure of the child to receive a free appropriate or adequate public education.

Section 193-A-10: Home Education Advisory Council.

I. There is established the *home education* advisory council comprising 12 members. Members of the council shall be appointed by the commissioner of education from persons named as follows: (a) Six members nominated by *home* educator associations organized within New Hampshire. (b) Two members nominated by the department of education. (c) One member nominated by the New Hampshire School Administrators Association. (d) One member nominated by the New Hampshire School Boards Association. (e) One member nominated by the New Hampshire School Principals Association. (f) One member nominated by the nonpublic school advisory council established by the board of education pursuant to RSA 21-N:9, II(f).

II. The duties of the council and the terms of office of its members shall be prescribed in accordance with rules proposed by the commissioner of education and adopted by the state board of education pursuant to RSA 541-A.

III. The chair of the council shall be elected by the council members from the *home* educator membership on the council. All vacancies on the council shall be filled in the same manner as that of the original appointment.

NEW JERSEY

Section 18A:38-25: Attendance required of children between six and 16; exceptions.

Every parent, guardian or other person having custody and control of a child between the ages of six and 16 years shall cause such child regularly to attend the public schools of the district or a day school in which there is given instruction equivalent to that provided in the public schools for children of similar grades and attainments or to receive equivalent instruction elsewhere than at school.

Section 18A:38-26: Days when attendance required; exceptions.

Such regular attendance shall be during all the days and hours that the public schools are in session in the district, unless it is shown to the satisfaction of the board of education of the district that the mental condition of the child is such that he cannot benefit from instruction in the school or that the bodily condition of the child is such as to prevent his attendance at school, but nothing herein shall be construed as permitting the temporary or permanent exclusion from school by the board of education of any district of any child between the ages of five and 20, except as explicitly otherwise provided by law.

NEW MEXICO

Section 22-1-2.1: Home school; requirements.

Any person operating or intending to operate a *home school* shall:

A. notify the superintendent of schools of the school district in which the person is a resident of the establishment of a *home school* within thirty days of its establishment and notify the superintendent of schools of the school district on or before April 1 of each subsequent year of operation;

B. maintain records of student attendance and disease immunization and furnish such records to the superintendent of schools of the school district;

C. provide instruction by a person possessing at least a high school diploma or its equivalent; and

D. test students annually to assess student achievement according to the statewide and local school district testing programs as determined by the state superintendent. The *home school* child shall take such achievement tests at a time and place and in a manner consistent with the procedures established by the state superintendent.

NEW YORK

Section 3204: Instruction required.

1. Place of instruction. A minor required to attend upon instruction by the provisions of part one of this article may attend at a public school or elsewhere. The requirements of this section shall apply to such a minor, irrespective of the place of instruction.

2. Quality and language of instruction; text-books. Instruction may be given only by a competent teacher. In the teaching of the subjects of instruction prescribed by this section, English shall be the language of instruction, and text-books used shall be written in English, except that for a period of three years, which period may be extended by the commissioner with respect to individual pupils, upon application therefor by the appropriate school authorities, to a period not in excess of six years, from the date of enrollment in school, pupils who, by reason of foreign birth or ancestry have limited English proficiency, shall be provided with instructional programs as specified in subdivision two-a of this section and the regulations of the commissioner. The purpose of providing such pupils with instruction shall be to enable them to develop academically while achieving competence in the English language. Instruction given to a minor elsewhere than at a public school shall be at least substantially equivalent to the instruction given to minors of like age and attainments at the public schools of the city or district where the minor resides.

2-a. Instructional programs for pupils of limited English proficiency. 1. Each school district which is receiving state funds for the education of pupils of limited English proficiency shall develop a comprehensive plan consistent with requirements as the commissioner may establish in regulations to meet the educational needs of such pupils. 2. The board of education of each school district receiving such funds shall provide a program of bilingual education or English as a second language for eligible pupils and may contract with a board of cooperative educational services or another school district to provide such program, provided that in a city having a population of one million or more, the community school boards shall provide such program in the schools within their jurisdiction. 3. Eligibility for such programs shall be based on the following criteria. A pupil who by reason of foreign birth or ancestry speaks a language other than English, and either understands and speaks little or no English, or who has been identified by any English language assessment instrument approved by the commissioner as a pupil of limited English proficiency, shall receive a program of bilingual education or English as a second language in accordance with standards

established by the commissioner. A pupil's proficiency in the English language shall be measured annually by such language assessment instrument in order to determine further participation in bilingual education or English as a second language program in accordance with standards established by the commissioner, subject to the provisions of subdivision two of this section. The parent or guardian of a pupil designated as limited English proficient shall be informed by the local school authorities of the pupil's placement in an instructional program.

4. Bilingual programs shall be designed to: (a) provide content instruction for children of limited English proficiency using the child's native language and English; (b) provide native language instruction; and (c) provide English as a second language instruction. 5. English as a second language program shall be designed to develop skills in listening, speaking, reading and writing the English language, and assist in the learning of content areas through monolingual instruction in English. 6. The commissioner shall establish, by regulation, standards for approved programs for pupils of limited English proficiency. 7. After a pupil is enrolled in a regular instructional program, he may receive additional instruction in his native language. 8. A school district which provides a program of bilingual education or English as a second language designed to meet the needs of pupils of limited English proficiency, shall be empowered to: (a) impart to pupils a knowledge of the history and culture associated with their native languages; (b) establish closer cooperation between the school and the home; (c) provide early childhood educational programs related to the purposes of this section and designed to improve the potential for profitable learning activities by children; (d) offer adult education programs related to the purposes of this section, particularly for parents of pupils with limited English proficiency; (e) provide programs designed for dropouts or potential dropouts having need of such programs; and (f) provide other activities deemed desirable to further the purposes of this section. 9. Any duly authorized local educational agency or agencies is hereby empowered to make application for any grant or grants in furtherance of this section under any public law enacted by the United States Congress.

2-b. Gifted instruction in schools. The governing board of any school district and any community school district is hereby empowered to determine the circumstances wherein instruction shall be given to meet the special needs of gifted pupils as provided in this chapter.

3. Courses of study. a. (1) The course of study for the first eight years of full time public day schools shall provide for instruction in at least the twelve common school branches of arithmetic, reading, spelling, writing, the English language, geography, United States history, civics, hygiene, physical training, the history of New York state and science. (2) The courses of study and of specialized training beyond the first eight years of full time public day schools shall provide for instruction in at least the English language and its use, in civics, hygiene, physical training, and American history including the principles of government proclaimed in the Declaration of Independence and established by the constitution of the United States. (3) The courses of study beyond the first eight years of full time public day schools may provide a program for a course in "communism and its methods and its destructive effects". b. For part time day schools. The course of study of a part time public day school shall include such subjects as will enlarge the civic and vocational intelligence and skill of the minors required to attend. c. For evening schools. In a public evening school instruction shall be given in at least speaking, reading, and writing English. d. For parental schools. In a parental school provision shall be made for vocational training and for instruction in other subjects appropriate to the minor's age and attainments. e. Changes in courses of study. The state education department shall have power to alter the subjects of instruction as prescribed in this section.

4. Length of school sessions. a. full time day school or class, except as otherwise prescribed, shall be in session for not less than one hundred ninety days each year, inclusive of legal holidays that occur during the term of said school and exclusive of Saturdays. b. A part time day school or class shall be in session each year for at least four hours of each week during which the full time day schools are in session. c.

Evening schools shall be in session each year as follows: (1) In cities having a population of one hundred thousand or more, on at least one hundred nights; (2) In cities having a population of fifty thousand but less than one hundred thousand, on at least seventy-five nights; (3) In each other city, and in each school district where twenty or more persons from seventeen to twenty-one years of age are required to attend upon evening instruction, on at least fifty nights.

4-a. Special education. Every pupil, having been determined to be a "child with a handicapping condition" by a committee on the handicapped, shall be offered an opportunity to receive the benefits of an appropriate public education as prescribed in article eighty-nine of this chapter.

5. Subject to rules and regulations of the board of regents, a pupil may, consistent with the requirements of public education and public health, be excused from such study of health and hygiene as conflicts with the religion of his parents or guardian. Such conflict must be certified by a proper representative of their religion as defined by section two of the religious corporations law.

NORTH CAROLINA

Section 115C-563: Home Schools, Definitions.

As used in this Part or Parts 1 and 2 of this section [Article]: (a) "Home school" means a nonpublic school in which one or more children of not more than two families or households receive academic instruction from parents or legal guardians, or a member of either household. (b) "Duly authorized representative of the State," means the Director, Division of Nonpublic Education, or his staff.

Section 115C-564: Home Schools, Qualifications and requirements.

A home school shall make the election to operate under the qualifications of either Part 1 or Part 2 of this Article and shall meet the requirements of the Part elected, except that any requirement related to safety and sanitation inspections shall be waived if the school operates in a private residence and except that testing requirements in G.S. 115C-549 and G.S. 115C-557 shall be on an annual basis. The persons providing academic instruction in a home school shall hold at least a high school diploma or its equivalent.

Section 115C-565: Home Schools, Requirements exclusive.

No school which complies with this Part shall be subject to any other provision of law relating to education except requirements of law respecting immunization. Compulsory Attendance.

Section 115C-378: Compulsory Attendance, Children required to attend.

Every parent, guardian or other person in this State having charge or control of a child between the ages of seven and 16 years shall cause such child to attend school continuously for a period equal to the time which the public school to which the child is assigned shall be in session. Every parent, guardian, or other person in this State having charge or control of a child under age seven who is enrolled in a public school in grades kindergarten through two shall also cause such child to attend school continuously for a period equal to the time which the public school to which the child is assigned shall be in session unless the child has withdrawn from school. No person shall encourage, entice or counsel any such child to be unlawfully absent from school. The parent, guardian, or custodian of a child shall notify the school of the reason for each known absence of the child, in accordance with local school policy.

The principal, superintendent, or teacher who is in charge of such school shall have the right to excuse a child temporarily from attendance on

account of sickness or other unavoidable cause which does not constitute unlawful absence as defined by the State Board of Education. The term "school" as used herein is defined to embrace all public schools and such nonpublic schools as have teachers and curricula that are approved by the State Board of Education.

All nonpublic schools receiving and instructing children of a compulsory school age shall be required to keep such records of attendance and render such reports of the attendance of such children and maintain such minimum curriculum standards as are required of public schools; and attendance upon such schools, if the school refuses or neglects to keep such records or to render such reports, shall not be accepted in lieu of attendance upon the public school of the district to which the child shall be assigned. Provided, that instruction in a nonpublic school shall not be regarded as meeting the requirements of the law unless the courses of instruction run concurrently with the term of the public school in the district and extend for at least as long a term.

The principal or his designee shall notify the parent, guardian, or custodian of his child's excessive absences after the child has accumulated three unexcused absences in a school year. After not more than six unexcused absences, the principal shall notify the parent, guardian, or custodian by mail that he may be in violation of the Compulsory Attendance Law and may be prosecuted if the absences cannot be justified under the established attendance policies of the State and local boards of education. Once the parents are notified, the school attendance counselor shall work with the child and his family to analyze the causes of the absences and determine steps, including adjustment of the school program or obtaining supplemental services, to eliminate the problem. The attendance counselor may request that a law-enforcement officer accompany him if he believes that a home visit is necessary.

After 10 accumulated unexcused absences in a school year the principal shall review any report or investigation prepared under G.S. 115C-381 and shall confer with the student and his parent, guardian, or custodian if possible to determine whether the parent, guardian, or custodian has received notification pursuant to this section and made a good faith effort to comply with the law. If the principal determines that parent, guardian, or custodian has not, he shall notify the district attorney. If he determines that parent, guardian, or custodian has, he may file a complaint with the juvenile intake counselor under G.S. 7A-561 that the child is habitually absent from school without a valid excuse. Evidence that shows that the parents, guardian, or custodian were notified and that the child has accumulated 10 absences, which cannot be justified under the established attendance policies of the local board shall establish a prima facie case that the child's parent, guardian, or custodian is responsible for the absences.

NORTH DAKOTA

Section 15-34.1-03: Compulsory attendance - Exceptions.

The parent, guardian, or other person having control of a child required to attend school by the provisions of this chapter shall be excused by the school board from causing the child to attend school whenever it shall be shown to the satisfaction of the board, subject to appeal as provided by law, that one of the following reasons exists:

1. That the child is in attendance for the same length of time at a parochial or private school approved by the county superintendent of schools and the superintendent of public instruction. Except as provided in section 15-41-27, no such school shall be approved unless the teachers therein are legally certificated in the state of North Dakota in accordance with section 15-41-25 and chapter 15-36, the subjects offered are in accordance with sections 15-38-07, 15-41-06, and 15-41-24, and such school is in compliance with all municipal and state health, fire, and safety laws.

2. That the child has acquired the branches of learning taught in the public schools and has completed high school.

3. That the child actually is necessary to the support of the child's family, which shall be a question of fact to be determined by the governing board of the district with the approval of the county superintendent of schools, and such determination shall be subject to review by the superintendent of public instruction on appeal.

4. That the child has been identified as handicapped pursuant to the procedure used by the superintendent of public instruction to identify a student as handicapped under subsection 3 of section 15-59-01 and that the handicap renders attendance or participation in the regular or special education program inexpedient or impracticable. The determination that the handicap renders attendance or participation inexpedient or impracticable must be shown by a declaration of a multidisciplinary team which includes the director of special education of the special education unit of which the school district of residence is a member, the school superintendent of the child's district of residence, the child's classroom teacher, the child's physician, and the child's parent or guardian.

5. That the child, not including a child with developmental disabilities as defined by subsection 1 of section 25-01.2-01, is receiving *home education* in accordance with the provisions of this chapter.

OHIO

Section 3321.04.

Notwithstanding division (D) of section 3311.19 and division (D) of section 3311.52 of the Revised Code, this section does not apply to any joint vocational or cooperative education school district or its superintendent.

Every parent of any child of compulsory school age who is not employed under an age and schooling certificate must send such child to a school or a special education program that conforms to the minimum standards prescribed by the state board of education, for the full time the school or program attended is in session, which shall not be for less than thirty-two weeks per school year. Such attendance must begin within the first week of the school term or program or within one week of the date on which the child begins to reside in the district or within one week after his withdrawal from employment.

For the purpose of operating a school or program on a trimester plan, "full time the school attended is in session," as used in this section means the two trimesters to which the child is assigned by the board of education. For the purpose of operating a school or program on a quarterly plan, "full time the school attended is in session," as used in this section, means the three quarters to which the child is assigned by the board of education. For the purpose of operating a school or program on a pentameter plan, "full time the school is in session," as used in this section, means the four pentameters to which the child is assigned by the board of education.

Excuses from future attendance at or past absence from school or a special education program may be granted for the causes, by the authorities, and under the following conditions:

(A) The superintendent of the city or exempted village school district or the educational service center in which the child resides may excuse the child from attendance for any part of the remainder of the current school year upon satisfactory showing of either of the following facts: (1) That the child's bodily or mental condition does not permit attendance at school or a special education program during such period; this fact is certified in writing by a licensed physician or, in the case of a mental condition, by a licensed physician, a licensed psychologist, licensed school psychologist or a certificated school psychologist; and provision is made for appropriate instruction of the child, in accordance with Chapter 3323, of the Revised Code; (2) That the child is being

instructed at *home* by a person qualified to teach the branches in which instruction is required, and such additional branches, as the advancement and needs of the child may, in the opinion of such superintendent, require. In each such case the issuing superintendent shall file in his office, with a copy of the excuse, papers showing how the inability of the child to attend school or a special education program or the qualifications of the person instructing the child at *home* were determined. All such excuses shall become void and subject to recall upon the removal of the disability of the child or the cessation of proper *home instruction*; and thereupon the child or the child's parents may be proceeded against after due notice whether such excuse be recalled or not.

(B) The state board of education may adopt rules authorizing the superintendent of schools of the district in which the child resides to excuse a child over fourteen years of age from attendance for a future limited period for the purpose of performing necessary work directly and exclusively for the child's parents or legal guardians.

All excuses provided for in divisions (A) and (B) of this section shall be in writing and shall show the reason for excusing the child. A copy thereof shall be sent to the person in charge of the child.

(C) The board of education of the city or exempted village school district or the governing board of the educational service center in which a public school is located or the governing authorities of a private or parochial school may in the rules governing the discipline in such schools, prescribe the authority by which and the manner in which any child may be excused for absence from such school for good and sufficient reasons.

The state board of education may by rule prescribe conditions governing the issuance of excuses, which shall be binding upon the authorities empowered to issue them.

OKLAHOMA

Section 70-10-105.

A. It shall be unlawful for a parent, guardian, or other person having custody of a child who is over the age of five (5) years, and under the age of eighteen (18) years, to neglect or refuse to cause or compel such child to attend and comply with the rules of some public, private or other school, unless other means of education are provided for the full term the schools of the district are in session or the child is excused as provided in this section. One-half (1/2) day of kindergarten shall be required of all children five (5) years of age or older unless the child is excused from kindergarten attendance as provided in this section. A child who is five (5) years of age shall be excused from kindergarten attendance until the next school year after the child is six (6) years of age if a parent, guardian, or other person having custody of the child notifies the superintendent of the district where the child is a resident by certified mail prior to enrollment in kindergarten, or at any time during the first school year that the child is required to attend kindergarten pursuant to this section, of election to withhold the child from kindergarten until the next school year after the child is six (6) years of age. A kindergarten program shall be directed toward developmentally appropriate objectives for such children. The program shall require that any teacher employed on and after January 1, 1993, to teach a kindergarten program within the public school system shall be certified in early childhood education. All teachers hired to teach a kindergarten program within the public school system prior to January 1, 1993, shall be required to obtain certification in early childhood education on or before the 1996-97 school year in order to continue to teach a kindergarten program.

B. It shall be unlawful for any child who is over the age of sixteen (16) years and under the age of eighteen (18) years, and who has not finished four (4) years of high school work, to neglect or refuse to attend and comply with the rules of some public, private or other school, or receive

an education by other means for the full term the schools of the district are in session. Provided, that this section shall not apply: 1. If any such child is prevented from attending school by reason of mental or physical disability, to be determined by the board of education of the district upon a certificate of the school physician or public health physician, or, if no such physician is available, a duly licensed and practicing physician; 2. If any such child is excused from attendance at school, due to an emergency, by the principal teacher of the school in which such child is enrolled, at the request of the parent, guardian, custodian or other person having control of such child; 3. If any such child who has attained his or her sixteenth birthday is excused from attending school by written, joint agreement between: a. the school administrator of the school district where the child attends school, and b. the parent, guardian or custodian of the child. Provided, further, that no child shall be excused from attending school by such joint agreement between a school administrator and the parent, guardian or custodian of the child unless and until it has been determined that such action is for the best interest of the child and/or the community, and that said child shall thereafter be under the supervision of the parent, guardian or custodian until the child has reached the age of eighteen (18) years; or 4. If any such child is excused pursuant to subsection C of this section.

C. A school district shall excuse a student from attending school for the purpose of observing religious holy days if before the absence, the parent, guardian, or person having custody or control of the student submits a written request for the excused absence. The school district shall excuse a student pursuant to this subsection for the days on which the religious holy days are observed and for the days on which the student must travel to and from the site where the student will observe the holy days.

D. It shall be the duty of the attendance officer to enforce the provisions of this section. Any parent, guardian, custodian, child or other person violating any of the provisions of this section, upon conviction, shall be guilty of a misdemeanor, and shall be punished by a fine of not less than Five Dollars (\$5.00) nor more than Twenty-five Dollars (\$25.00) for the first offense, not less than Ten Dollars (\$10.00) nor more than Fifty Dollars (\$50.00) for the second offense, and not less than Twenty-five Dollars (\$25.00) nor more than One Hundred Dollars (\$100.00) for each subsequent offense. Each day the child remains out of school after the oral and documented or written warning has been given to the parent, guardian, custodian, child or other person or the child has been ordered to school by the juvenile court may constitute a separate offense. At the trial of any person charged with violating the provisions of this section, the attendance records of the child or ward may be presented in court by any authorized employee of the school district.

OREGON

Section 339.030: Exemptions from compulsory school attendance.

In the following cases, children shall not be required to attend public full-time schools:

- (1) Children being taught in a private or parochial school in the courses of study usually taught in grades 1 through 12 in the public schools and in attendance for a period equivalent to that required of children attending public schools in the 1994-1995 school year.
- (2) Children proving to the satisfaction of the district school board that they have acquired equivalent knowledge to that acquired in the courses of study taught in grades 1 through 12 in the public schools.
- (3) Children being taught for a period equivalent to that required of children attending public schools by a parent or private teacher the courses of study usually taught in grades 1 through 12 in the public school.
- (4) Children excluded from attendance as provided by law.

(5) The State Board of Education by rule shall establish procedures whereby, on a semiannual basis, an exemption from compulsory attendance may be granted to the parent or legal guardian of any child 16 or 17 years of age who is lawfully employed full-time, lawfully employed part-time and enrolled in school, or enrolled in a community college or other state-registered alternative education program. Such exemption also may be granted to any child who is an emancipated minor or who has initiated the procedure for emancipation under ORS 419B.550 to 419B.558.

[Amended by 1965 c.100 s.276; 1967 c.67 s.8; 1971 c.494 s.1; 1973 c.728 s.1; 1985 c.579 s.1; 1989 c.619 s.1; 1993 c.546 s.138; 1995 c.769 s.2]

PENNSYLVANIA

Section 13-1327.1: Home Education Program.

a. The following words and phrases when used in this section shall have the meanings given to them in this subsection:

"Appropriate education" shall mean a program consisting of instruction in the required subjects for the time required in this act and in which the student demonstrates sustained progress in the overall program.

"Hearing Examiner" shall not be an officer, employee or agent of the Department of Education or of the school district or intermediate unit of residence of the child in the *home education* program.

"Home education program" shall mean a program conducted, in compliance with this section, by the parent or guardian or such person having legal custody of the child or children.

"Supervisor" shall mean the parent or guardian or such person having legal custody of the child or children who shall be responsible for the provision of instruction, provided that such person has a high school diploma or its equivalent.

b. The requirements contained in sections 1511, 1511.1, except as provided for in this section, and section 16052 shall not apply to *home education* programs. A *home education* program shall not be considered a nonpublic school under the provisions of this act. 1. A notarized affidavit of the parent or guardian or other person having legal custody of the child or children, filed prior to the commencement of the *home education* program and annually thereafter on August 1 with the superintendent of the school district of residence and which sets forth: the name of the supervisor of the *home education* program who shall be responsible for the provision of instruction; the name and age of each child who shall participate in the *home education* program; the address and telephone number of the *home education* program site; that such subjects as required by law are offered in the English language, including an outline of proposed education objectives by subject area; evidence that the child has been immunized in accordance with the provisions of section 1303(a)3 and has received the health and medical services required for students of the child's age or grade level in Article XIV; and that the *home education* program shall comply with the provisions of this section and that the notarized affidavit shall be satisfactory evidence thereof. The required outline of proposed educational objectives shall not be utilized by the superintendent in determining if the *home education* program is out of compliance with this section and section 1327. The affidavit shall contain a certification to be signed by the supervisor that the supervisor, all adults living in the home and persons having legal custody of a child or children in a *home education* program have not been convicted of the criminal offenses enumerated in subsection (e) of section 1114 within five years immediately preceding the date of the affidavit. 2. In the event the *home education* program site is relocating to another school district within the Commonwealth during the course of the public school term or prior to the opening of the public school term in the fall, the supervisor of the *home education* program must apply, by registered mail, thirty (30)

days prior to the relocation, to the superintendent of the district in which he or she currently resides, requesting a letter of transfer for the *home education* program to the district to which the *home education* program is relocating. The current superintendent of residence must issue the letter of transfer thirty (30) days after receipt of the registered mail request of the *home education* program supervisor. i. If the *home education* program is not in compliance with the provisions of this section, the superintendent of the current district of residence must inform the *home education* supervisor and the superintendent of the district to which the *home education* program is relocating the status of the *home education* program and the reason for the denial of the letter of transfer. ii. If the *home education* program is in hearing procedures, as contained in this section, the superintendent of the current district of residence must inform the *home education* supervisor, the assigned hearing examiner and the superintendent of the district to which the *home education* program is relocating the status of the *home education* program and the reason for the denial of the letter of transfer. 3. The letter of transfer, required by clause (2), must be filed by the supervisor of the *home education* program with the superintendent of the new district of residence. In the case of pending proceedings, the new district of residence superintendent shall continue the *home education* program until the appeal process is finalized.

c. A child who is enrolled in a *home education* program and whose education is therefore under the direct supervision of his parent, guardian or other person having legal custody shall be deemed to have met the requirements of section 13275 if that *home education* program provides a minimum of one hundred eighty (180) days of instruction or nine hundred (900) hours of instruction per year at the elementary level, or nine hundred ninety (990) hours per year at the secondary level: 1. At the elementary school level, the following courses shall be taught: English, to include spelling, reading and writing; arithmetic; science; geography; history of the United States and Pennsylvania; civics; safety education, including regular and continuous instruction in the dangers and prevention of fires; health and physiology; physical education; music; and art. 2. At the secondary school level, the following courses shall be taught: English, to include language, literature, speech and composition; science; geography; social studies, to include civics, world history, history of the United States and Pennsylvania; mathematics, to include general mathematics, algebra and geometry; art; music; physical education; health; and safety education, including regular and continuous instruction in the dangers and prevention of fires. Such courses of study may include, at the discretion of the supervisor of the *home education* program, economics; biology; chemistry; foreign languages; trigonometry; or other age-appropriate courses as contained in Chapter 5 (Curriculum Requirements) of the State Board of Education.

d. The following minimum courses in grades nine through twelve are established as a requirement for graduation in a *home education* program: 1. Four years of English. 2. Three years of mathematics. 3. Three years of science. 4. Three years of social studies. 5. Two years of arts and humanities.

e. In order to demonstrate that appropriate education is occurring, the supervisor of the *home education* program shall provide and maintain on file the following documentation for each student enrolled in the *home education* program: 1. A portfolio of records and materials. The portfolio shall consist of a log, made contemporaneously with the instruction, which designates by title the reading materials used, samples of any writings, worksheets, workbooks or creative materials used or developed by the student and in grades three, five, and eight results of nationally normed standardized achievement tests in reading/language arts and mathematics or the results of Statewide tests administered in these grade levels. The department shall establish a list, with a minimum of five tests, of nationally normed standardized tests from which the supervisor of the *home education* program shall select a test to be administered if the supervisor does not choose the Statewide tests. At the discretion of the supervisor, the portfolio may include the results of nationally normed standardized achievement tests for other subject areas.

or grade levels. The supervisor shall insure that the nationally normed standardized tests or the Statewide tests shall not be administered by the child's parent or guardian. i. A teacher or administrator who evaluates a portfolio at the elementary level (grades kindergarten through six) shall have at least two years of experience in grading any of the following subjects: English, to include spelling, reading and writing; arithmetic; science; geography; history of the United States and Pennsylvania; and civics. ii. A teacher or administrator who evaluates a portfolio at the secondary level (grades seven through twelve) shall have at least two years of experience in grading any of the following subjects: English, to include language, literature, speech, reading and composition; science, to include biology, chemistry and physics; geography; social studies, to include economics, civics, world history, history of the United States and Pennsylvania; foreign language; and mathematics, to include general mathematics, algebra, trigonometry, calculus and geometry. iii. As used in this clause, the term "grading" shall mean evaluation of classwork, homework, quizzes, classwork-based tests and prepared tests related to classwork subject matter. 2. An annual written evaluation of the student's educational progress as determined by a licensed clinical or school psychologist or a teacher certified by the Commonwealth or by a nonpublic school teacher or administrator. Any such nonpublic teacher or administrator shall have at least two years of teaching experience in a Pennsylvania public or nonpublic school within the last ten years. Such nonpublic teacher or administrator shall have the required experience at the elementary level to evaluate elementary students or at the secondary level to evaluate secondary students. The certified teacher shall have experience at the elementary level to evaluate elementary students or at the secondary level to evaluate secondary students. The evaluation shall also be based on an interview of the child and a review of the portfolio required in clause (1) and shall certify whether or not an appropriate education is occurring. At the request of the supervisor, persons with other qualifications may conduct the evaluation with the prior consent of the district of residence superintendent. In no event shall the evaluator be the supervisor or their spouse.

f. The school district of residence shall, at the request of the supervisor, lend to the *home education* program copies of the school district's planned courses, textbooks and other curriculum materials appropriate to the student's age and grade level.

g. When documentation is required by this section to be submitted to the district of residence superintendent or the hearing examiner, the superintendent or the hearing examiner shall return, upon completion of his review, all such documentation to the supervisor of the *home education* program. The superintendent or hearing examiner may photocopy all or portions of the documentation for his files.

h. Such documentation required by subsection (e)(1) and (2) shall be provided to the public school district of residence superintendent at the conclusion of each public school year. In addition, if the superintendent has a reasonable belief that, at any time during the school year, appropriate education may not be occurring in the *home education* program, he may, by certified mail, return receipt requested, require documentation pertaining to the portfolio of records and materials required by subsection (e)(1) to be submitted to the district within fifteen (15) days; and pertaining to subsection (e)(2) to be submitted to the district within thirty (30) days. If the tests as required in subsection (e)(1) have not been administered at the time of the receipt of the certified letter by the supervisor, the supervisor shall submit the other required documentation and shall submit the test results with the documentation at the conclusion of the school year.

i. If the superintendent of the public school district determines, based on the documentation provided, at the end of or during the school year, that appropriate education is not taking place for the child in the *home education* program, the superintendent shall send a letter by certified mail, return receipt requested, to the supervisor of the *home education* program stating that in his opinion appropriate education is not taking place for the child in the *home education* program and shall return all

documentation, specifying what aspect or aspects of the documentation are inadequate.

j. Upon receipt of the certified letter required by subsection (i), the supervisor of the *home education* program shall have twenty (20) days to submit additional documentation demonstrating that appropriate education is taking place for the child in the *home education* program. If documentation is not submitted within that time, the *home education* program for the child shall be out of compliance with the requirements of this section and section 1327, and the student shall be promptly enrolled in the public school district of residence or a nonpublic school or a licensed private academic school.

k. If the superintendent determines that the additional documentation submitted still does not demonstrate that appropriate education is taking place in the *home education* program, he shall so notify the supervisor of the *home education* program by certified mail, return receipt requested, and the board of school directors shall provide for a proper hearing by a duly qualified and impartial hearing examiner within (30) days. The examiner shall render a decision within fifteen (15) days of the hearing except that he may require the establishment of a remedial education plan mutually agreed to by the superintendent and supervisor of the *home education* program which shall continue the *home education* program. The decision of the examiner may be appealed by either the supervisor of the *home education* program or the superintendent to the Secretary of Education or Commonwealth Court.

l. If the hearing examiner finds that the documentation does not indicate that appropriate education is taking place in the *home education* program, the *home education* program for the child shall be out of compliance with the requirements of this section and section 1327, and the student shall be promptly enrolled in the public school district of residence or a nonpublic school or a licensed private academic school.

m. At such time as a child's *home education* program has been determined to be out of compliance with the provisions of this section and section 1327, the supervisor or spouse of the supervisor of the *home education* program shall not be eligible to supervise a *home education* program for that child, as provided for in (b)(1) of this section, for a period of twelve (12) months from the date of such determination.

RHODE ISLAND

Section 16-19.1: Attendance required - Excuses for nonattendance.

(a) Every child who has completed or will have completed six (6) years of life on or before December 31 of any school year and has not completed sixteen (16) years of life shall regularly attend some public day school during all the days and hours that the public schools are in session in the city or town wherein the child resides; and every person having under his or her control a child as above described in this section shall cause the child to attend school as required by the above stated provisions of this section, and for every neglect of this duty the person having control of the child shall be fined not exceeding fifty dollars (\$50.00) for each day or part of a day that the child fails to attend school, and if the total of these days is more than thirty (30) school days during any school year, then the person shall, upon conviction, be imprisoned not exceeding six (6) months or shall be fined not more than five hundred dollars (\$500) or both; provided, that if the person so charged shall prove that the child has attended for the required period of time a private day school approved by the commissioner of elementary and secondary education pursuant to § 16-60-6(10), or a course of *at-home instruction* approved by the school committee of the town wherein the child resides, or that the physical or mental condition of the child was such as to render his or her attendance at school inexpedient or impracticable, or that the child was excluded from school by virtue of some general law or regulation, then attendance shall not be obligatory nor shall the penalty be incurred, but nothing in this section shall be construed to allow the absence or irregular attendance of any child who is enrolled as a member of any school, or of any child sent to school by

the person having control of the child. Provided, however, that nothing in this section shall prohibit or limit cities or towns from enacting programs of early intervention and/or mediation in an effort to address the problems of students who are habitually late or absent from school.

(b) Nothing in this section shall be deemed to limit or otherwise interfere with the rights of teachers and other school employees to collectively bargain pursuant to chapters 9.3 and 9.4 of title 28 or to allow any school committee to abrogate any agreement reached by collective bargaining.

SOUTH CAROLINA

Section 59-65-40: Home schooling programs.

(A) Parents or guardians may teach their children at *home* if the instruction is approved by the district board of trustees of the district in which the children reside. A district board of trustees shall approve *home schooling* programs which meet the following standards: (1) the parent: (a) holds at least a high school diploma or the equivalent general educational development (GED) certificate and, beginning in the 1989-90 school year, attains a passing score on the basic skills examination developed pursuant to Section 59-26-20(b)(1) after the State Department of Education has validated the test for use with *home schooling* parents; or (b) has earned a baccalaureate degree; (2) the instructional day is at least four and one-half hours, excluding lunch and recesses, and the instructional year is at least one hundred eighty days; (3) the curriculum includes, but is not limited to, the basic instructional areas of reading, writing, mathematics, science, and social studies and in grades seven through twelve, composition and literature; (4) as evidence that a student is receiving regular instruction, the parent shall present a system for maintaining and maintain the following records for inspection upon reasonable notice by a representative of the school district: (a) a plan book, diary, or other written record indicating subjects taught and activities in which the student and parent engage; (b) a portfolio of samples of the student's academic work; and (c) a record of evaluations of the student's academic progress. A semiannual progress report including attendance records and individualized assessments of the student's academic progress in each of the basic instructional areas specified in item (3) must be submitted to the school district. (5) students must have access to library facilities; (6) students must participate in the annual statewide testing program and the Basic Skills Assessment Program approved by the State Board of Education for their appropriate grade level. The tests must be administered by a certified school district employee either with public school students or by special arrangement at the student's place of instruction, at the parent's option. The parent is responsible for paying the test administrator if the test is administered at the student's *home*; and (7) parents must agree in writing to hold the district, the district board of trustees and the district's employees harmless for any educational deficiencies of the student sustained as a result of *home instruction*. At any time the school district determines that the parent is not maintaining the *home school* program in keeping with the standards specified in this section the district board of trustees shall notify the parent to correct the deficiencies within thirty days. If the deficiencies are not corrected within thirty days, the district board of trustees may withdraw its approval.

(B) The district board of trustees shall provide for an application process which elicits the information necessary for processing the *home schooling* request, including a description of the program, the texts and materials to be used, the methods of program evaluation, and the place of instruction. Parents must be notified in advance of the date, place, and time of the meeting at which the application is considered by the board and parents may be heard at the meeting.

(C) Within the first fifteen instructional days of the public school year, students participating in *home instruction* and eligible for enrollment in the first grade of the public schools must be tested to determine their readiness for the first grade using the readiness instrument approved by the State Board of Education for public school students. If a student is

determined to be "not ready" or is determined to lack the necessary emotional maturity, the parent must be advised by appropriate school district personnel whether a kindergarten or a first grade curriculum should be used for the child. Nothing in this section may be interpreted to conflict with a parent's right to exempt his child from kindergarten as provided in Section 59-65-10(A).

(D) Should a student in a *home schooling* program score below the test requirements of the promotion standard prescribed for public school students by the State Board of Education for one year, the district board of trustees shall decide whether or not the student shall receive appropriate instructional placement in the public school, special services as a handicapped student, or *home schooling* with an instructional support system at parental expense. The right of a parent to enroll his child in a private or parochial school as provided in Section 59-65-10(A) is unaffected by this provision.

(E) If a parent is denied permission to begin or continue *home schooling* by a district board of trustees, the decision of the district board of trustees may be appealed, within ten days, to the State Board of Education. Any appeal from the decision of the State Board of Education must be taken, within thirty days, to the family court.

Section 59-65-45: Alternative home schooling requirements.

In lieu of the requirements of Section 59-65-40, parents or guardians may teach their children at *home* if the instruction is conducted under the auspices of the South Carolina Association of Independent *Home Schools*. Bona fide membership and continuing compliance with the academic standards of South Carolina Association of Independent *Home Schools* exempts the *home school* from the further requirements of Section 59-65-40. The State Department of Education shall conduct annually a review of the association standards to insure that requirements of the association, at a minimum, include: (a) a parent must hold at least a high school diploma or the equivalent general educational development (GED) certificate; (b) the instructional year is at least one hundred eighty days; and (c) the curriculum includes, but is not limited to, the basic instructional areas of reading, writing, mathematics, science, and social studies, and in grades seven through twelve, composition and literature. By January thirtieth of each year, the South Carolina Association of Independent *Home Schools* shall report the number and grade level of children *home schooled* through the association to the children's respective school districts.

Section 59-65-47: Associations for home schools; requirements.

In lieu of the requirements of Section 59-65-40 or Section 59-65-45, parents or guardians may teach their children at *home* if the instruction is conducted under the auspices of an association for *home schools* which has no fewer than fifty members and meets the requirements of this section. Bona fide membership and continuing compliance with the academic standards of the associations exempts the *home school* from the further requirements of Section 59-65-40 or Section 59-65-45. The State Department of Education shall conduct annually a review of the association standards to ensure that requirements of the association, at a minimum, include: (a) a parent must hold at least a high school diploma or the equivalent general educational development (GED) certificate; (b) the instructional year is at least one hundred eighty days; (c) the curriculum includes, but is not limited to, the basic instructional areas of reading, writing, mathematics, science, and social studies, and in grades seven through twelve, composition and literature; and (d) educational records shall be maintained by the parent-teacher and include: (1) a plan book, diary, or other record indicating subjects taught and activities in which the student and parent-teacher engage; (2) a portfolio of samples of the student's academic work; and (3) a semiannual progress report including attendance records and individualized documentation of the student's academic progress in each of the basic instructional areas specified in item (c) above. By January thirtieth of each year, all associations shall report the number and grade level of children *home*

schooled through the association to the children's respective school districts.

SOUTH DAKOTA

Section 13-27-2: Attendance excused by school board.

Upon receipt of an application from the parent or guardian of the child for the reasons set forth in § 13-27-3, school boards of all school districts shall excuse a child from school attendance in executive session using a case number. School boards of all school districts may excuse a child from public school attendance for the reasons set forth in §§ 13-27-6 and 13-27-6.1.

Section 13-27-3: Child excused if provided alternative instruction - Application - Investigation - Revocation - Restrictions - Testing.

A child shall be excused from school attendance, pursuant to § 13-27-2, because the child is otherwise provided with alternative instruction for an equivalent period of time, as in the public schools, in the basic skills of language arts and mathematics. The parent or guardian of the child shall identify in the application the place where the child will be instructed and any individual who will instruct the child. The individuals are not required to be certified. The secretary of the Department of Education and Cultural Affairs may investigate and determine whether the instruction is being provided. Failure to provide instruction is grounds for the school board, upon thirty days notice, to revoke the excuse from school attendance. The secretary of the Department of Education and Cultural Affairs may inspect the records of an alternative education program with fourteen days written notice if the secretary has probable cause to believe the program is not in compliance with this section. The records to be inspected are limited to attendance and evidence showing academic progress. No individual may instruct more than twenty-two children. All instructions shall be given so as to lead to a mastery of the English language. Children receiving alternative instruction who are in grades tested under the state testing program shall take a nationally standardized achievement test of the basic skills. The test may be the test provided by the state and used in the public school district where the child is instructed or another nationally standardized achievement test chosen by and provided at the expense of the child's parent, guardian, or school giving alternative instruction. The test may be monitored by the local school district where the child is instructed.

Source: SDC 1939, § 15.3202 (2); SL 1955, ch 41, ch 15, § 2; 1971, ch 116, § 2; 1975, ch 128, § 170; 1977, ch 130; 1981, ch 141, § 2; 1983, ch 131, § 2; 1992, ch 128, § 1; 1993, ch 136; 1996, ch 115.

TENNESSEE

Section 49-6-3050: Home schools.

(a) (1) A "home school" is a school conducted by parent(s) or legal guardian(s) for their own children. In the case of special needs courses, such as laboratory sciences, vocational education, special education, etc., premises approved by the local superintendent of education may be used. Public school facilities may be used by home school participants with the approval of the local superintendent, but this permissive authority shall not be construed to confer any right upon such participants to use public school facilities. If approved, such use shall be in accordance with rules established by the local board of education. (2) (A) Home schools which teach kindergarten (K) through grade twelve (12), where the parents are associated with an organization that conducts church-related schools, as defined by § 49-50-801, which are supervised by such organization through the superintendent of such organization's department of education, and which administer standardized achievement tests at the same time such tests are given in their regular

day schools, are exempt from the provisions of this section. (B) Parent-teachers registered with such organization for conducting a home school for children in grades nine (9) through twelve (12) shall possess at least a high school diploma or GED, and shall have such grade nine (9) through twelve (12) students administered an annual standardized achievement test or the Sanders Model of value-added assessment, whichever is in use in that LEA and is sanctioned by the state board of education. (C) (i) Notwithstanding the provisions of subdivision (a)(2)(A), any parent desiring to conduct a home school covered by the provisions of this subdivision must register children who would be in grades nine (9) through twelve (12) with the local education agency which the child would otherwise attend. (ii) Any parent conducting a home school for children in grades nine (9) through twelve (12) under this subdivision (a)(2) must adhere to the same program of the Sanders Model of value-added assessment, or other standardized achievement testing in use in the local education agency which the child would otherwise attend. If the child fails, for two (2) consecutive years, to meet or surpass the average level of achievement in the Sanders Model of value-added assessment or other standardized achievement testing in use in the local education agency, the child shall be enrolled in the appropriate grade level of the local education agency or private or church-related school.

(b) A parent-teacher conducting a home school must comply with the following requirements: (1) Notice to the local superintendent by August 1 before the commencement of each school year of the parent-teacher's intent to conduct a "home school" and, for the purpose of reporting only, submit the name, number, age and grade level of children involved, the location of the school, the curriculum to be offered and the proposed hours of instruction and the qualifications of the parent-teacher relative to subdivision (b)(4) or (b)(7). Information contained in such reports may be used only for record keeping and other purposes for which similar information on public school students may be used in accordance with guidelines, rules and regulations of the state board of education. If notice is not given by August 1, but is given by September 1, it may be submitted upon payment by the parent of a penalty of twenty dollars (\$20.00) for each week or portion thereof by which notice is late. This penalty payment shall not exceed eighty dollars (\$80.00) and shall be charged per family regardless of the number of children attending the home school. The superintendent has the discretionary authority to waive the September 1 deadline for good and sufficient reasons. The superintendent or the superintendent's designee shall ensure that attendance teachers are informed of parents' rights to conduct a home school pursuant to § 49-6-3001(c)(4), subsection (a) of this section, and § 49-50-801 upon employment of such persons and at the beginning of each school year; (2) Maintenance of attendance records, subject to inspection by the local superintendent, and submission of these records to the superintendent at the end of each school year; (3) Instruction for at least four (4) hours per day for the same number of instructional days as are required by state law for public schools; (4) Possession of a high school diploma or GED by the parent-teacher conducting classes in kindergarten (K) through grade eight (8). (5) (A) Administration by the commissioner of education, or the commissioner's designee, or by a professional testing service which is approved by the local education agency, to home school students of the same state board approved secure standardized tests required of public school students in grades five (5), seven (7) and nine (9); however, the test for grade nine (9) shall not be the high school proficiency test required by § 49-6-6001; (B) (i) Tests administered by the commissioner or the commissioner's designee shall be at the same time tests are administered to public school students, and shall be administered in the public school which the home school student would otherwise be attending, or at whatever location students at such school are tested. Tests administered by the commissioner, or the commissioner's designee, shall be administered without charge. The parent-teacher may be present when the home school student is tested in grade five (5). Both parent-teacher and home school student shall be under the supervision of the test administrator; (ii) Tests administered by a professional testing service shall be administered within thirty (30) days of the date of the statewide test. Tests administered by a professional testing service shall be administered at the expense of the

TEXAS

parent-teacher, (iii) All test results from either administration by the commissioner or the commissioner's designee, or by a professional testing service, shall be provided to the parent-teacher, the superintendent and the state board of education; (6) (A) Consultation between the superintendent and the parent-teacher if the *home school* student falls three (3) to six (6) months behind the *home school* student's appropriate grade level, based on the test required in subdivision (b)(5); (B) If a *home school* student falls six (6) to nine (9) months behind the *home school* student's appropriate grade level in the *home school* student's reading, language arts, mathematics or science test scores or such of these areas, regardless of the term used on the test, as are actually tested for the student's grade level, based on the tests required in subdivision (b)(5), the parent shall consult with a teacher licensed by the state board of education and having a certificate or endorsement in the grade level or course or subject matter in which consultation is sought. The parent and teacher shall design a remedial course to help the child obtain the child's appropriate grade level. The parent shall report the remedial course for the child to the local superintendent; (C) (i) If a *home school* student falls more than one (1) year behind the *home school* student's appropriate grade level in the *home school* student's comprehensive test score for two (2) consecutive tests based on the tests required in subdivision (b)(5) and if the child is not learning disabled in the opinion of a teacher licensed to teach at the child's grade level, the local superintendent of schools may require the parents to enroll the child in a public, private or church-related school, in accordance with this part, and the parents shall have all rights provided by law to respond to this requirement; (ii) If a test indicates that a *home school* student is one (1) year or more behind the *home school* student's appropriate grade level, the same test shall be administered to the child not more than one (1) year later, notwithstanding the required testing schedule in subdivision (b)(5)(A); (7) Possession of at least a baccalaureate degree awarded by a college or university accredited by an accrediting agency or association recognized by the state board of education, by a parent-teacher conducting classes in grades nine (9) through twelve (12). A parent-teacher may request an exemption from this requirement from the department on a year-to-year basis; (8) Notification in writing to the local superintendent by a parent-teacher conducting classes in grades nine (9) through twelve (12) as to whether a college preparatory or general course of education will be taught to the *home school* student, and a description of the courses to be taught in each year; (A) If a college preparatory course is to be given, it must include those areas of study required for admission into public four-year colleges operated by the state; (B) If a general course is to be given, it must include those courses or areas of study required by the state board of education for graduation from public high schools; (9) Proof shall be submitted to the local superintendent that the *home school* student has been vaccinated as required by §49-6-5001, and has received any other health services or examinations as may be required by law generally for children in Tennessee; (10) Submission by the *home school* student entering public schools to the evaluation test provided for in § 49-50-801, if the local system requires such test, or the tests required by the state board of education for transfer students; and (11) In the event of the illness of a parent-teacher, or the inadequacy of the parent-teacher to teach a specific subject, a tutor, having the same qualifications which would be required of a parent-teacher teaching that grade level or course, may be employed by the parent-teacher.

(c) A local education agency which has responsibility under this section on account of the conduct of *home schools* within its jurisdiction shall receive a state grant for accounting and record keeping expenses. The amount of this grant shall be set annually by the commissioner in an amount not to exceed one hundred dollars (\$100) per *home school* student. The grant shall not be included in, or considered a part of, the Tennessee foundation program.

[Acts 1985, ch. 398, § 3; 1987, ch. 42, §§ 2-5; 1987, ch. 308, § 33; 1994, ch. 725, §§ 1-3; 1995, ch. 534, § 1; 1997, ch. 434, §§ 4, 5]

Section 25.085: Compulsory School Attendance.

(a) A child who is required to attend school under this section shall attend school each school day for the entire period the program of instruction is provided.

(b) Unless specifically exempted by Section 25.086, a child who is at least six years of age, or who is younger than six years of age and has previously been enrolled in first grade, and who has not yet reached the child's 18th birthday shall attend school.

(c) On enrollment in prekindergarten or kindergarten, a child shall attend school.

(d) Unless specifically exempted by Section 25.086, a student enrolled in a school district must attend an extended-year program for which the student is eligible that is provided by the district for students identified as likely not to be promoted to the next grade level or tutorial classes required by the district under Section 29.084.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 1997, 75th Leg., ch. 1019, Sec. 2, eff. Sept. 1, 1997.

Section 25.086: Exemptions.

(a) A child is exempt from the requirements of compulsory school attendance if the child (1) attends a private or parochial school that includes in its course a study of good citizenship; (2) is eligible to participate in a school district's special education program under Section 29.003 and cannot be appropriately served by the resident district; (3) has a physical or mental condition of a temporary and remediable nature that makes the child's attendance infeasible and holds a certificate from a qualified physician specifying the temporary condition, indicating the treatment prescribed to remedy the temporary condition, and covering the anticipated period of the child's absence from school for the purpose of receiving and recuperating from that remedial treatment; (4) is expelled in accordance with the requirements of law in a school district that does not participate in a mandatory juvenile justice alternative education program under Section 37.011; (5) is at least 17 years of age and: (A) is attending a course of instruction to prepare for the high school equivalency examination, and: (i) has the permission of the child's parent or guardian to attend the course; (ii) is required by court order to attend the course; (iii) has established a residence separate and apart from the child's parent, guardian, or other person having lawful control of the child; or (iv) is homeless as defined by 42 U.S.C. Section 11302; or (B) has received a high school diploma or high school equivalency certificate; (6) is at least 16 years of age and is attending a course of instruction to prepare for the high school equivalency examination, if the child is recommended to take the course of instruction by a public agency that has supervision or custody of the child under a court order; (7) is enrolled in the Texas Academy of Mathematics and Science; (8) is enrolled in the Texas Academy of Leadership in the Humanities; or (9) is specifically exempted under another law.

(b) This section does not relieve a school district in which a child eligible to participate in the district's special education program resides of its fiscal and administrative responsibilities under Subchapter A, Chapter 29, or of its responsibility to provide a free appropriate public education to a child with a disability.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

Amended by Acts 1997, 75th Leg., ch. 1015, Sec. 1, eff. June 19, 1997; Acts 1997, 75th Leg., ch. 1019, Sec. 3, eff. Sept. 1, 1997.

Section 25.087: Excused Absences.

(a) A child required to attend school may be excused for temporary absence resulting from any cause acceptable to the teacher, principal, or superintendent of the school in which the child is enrolled.

(b) A school district shall excuse a student from attending school for the purpose of observing religious holy days, including traveling for that purpose, if before the absence the parent, guardian, or person having custody or control of the student submits a written request for the excused absence. A school district shall excuse a student for temporary absence resulting from health care professionals if that student commences classes or returns to school on the same day of the appointment. A student whose absence is excused under this subsection may not be penalized for that absence and shall be counted as if the student attended school for purposes of calculating the average daily attendance of students in the school district. A student whose absence is excused under this subsection shall be allowed a reasonable time to make up school work missed on those days. If the student satisfactorily completes the school work, the day of absence shall be counted as a day of compulsory attendance.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 1, eff. May 30, 1995.

UTAH

Section 53A-11-102: Minors exempt from school attendance.

(1) A school-age minor may be excused from attendance by the local board of education and a parent exempted from application of Subsections 53A-11-101(2) and (3) for any of the following reasons: (a) a minor over age 16 may receive a partial release from school to enter employment if the minor has completed the eighth grade. Minors excused under this subsection are required to attend part-time schooling or *home schooling* as prescribed by the board, or (b) on an annual basis, a minor may receive a full release from attending a public, regularly established private, or part-time school or class if: (i) the minor has already completed the work required for graduation from high school, or has demonstrated mastery of required skills and competencies in accordance with Subsection 53A-15-102(1); (ii) the minor is taught at *home* in the subjects prescribed by the State Board of Education in accordance with the law for the same length of time as minors are required by law to be taught in the district schools; (iii) the minor is in a physical or mental condition, certified by a competent physician if required by the district board, which renders attendance inexpedient and impracticable; (iv) proper influences and adequate opportunities for education are provided in connection with the minor's employment, or (v) the district superintendent has determined that a minor over the age of 16 is unable to profit from attendance at school because of inability or a continuing negative attitude toward school regulations and discipline.

(2) In each case, evidence of reasons for granting an exemption must be sufficient to satisfy the local board.

(3) Boards excusing minors from attendance shall issue a certificate stating that the minor is excused from attendance during the time specified on the certificate.

Amended by Chapter 99, 1999 General Session

VERMONT

Section 16-1121: Attendance by children of school age required.

A person having the control of a child between the ages of seven and sixteen years shall cause the child to attend an approved public school, an approved or recognized independent school or a *home study* program for the full number of days for which that school is held, unless the child (1) is mentally or physically unable so to attend; or (2) has

completed the tenth grade; or (3) is excused by the superintendent or a majority of the school directors as provided in this chapter.

(Amended 1965, No. 46, § 1, eff. May 5, 1965; 1967, No. 55, 1981, No. 151 (Adj. Sess.), § 2; 1987, No. 97, § 2, eff. June 23, 1987; 1989, No. 44, § 5, eff. June 1, 1990.)

VIRGINIA

Section 22.1-254.1: Declaration of policy; requirements for home instruction of children.

A. When the requirements of this section have been satisfied, instruction of children by their parents is an acceptable alternative form of education under the policy of the Commonwealth of Virginia. Any parent of any child who will have reached the fifth birthday on or before September 30 of any school year and who has not passed the eighteenth birthday may elect to provide *home instruction* in lieu of school attendance if he (i) holds a baccalaureate degree in any subject from an accredited institution of higher education; or (ii) is a teacher of qualifications prescribed by the Board of Education; or (iii) has enrolled the child or children in a correspondence course approved by the Superintendent of Public Instruction; or (iv) provides a program of study or curriculum which, in the judgment of the division superintendent, includes the standards of learning objectives adopted by the Board of Education for language arts and mathematics and provides evidence that the parent is able to provide an adequate education for the child.

B. Any parent who elects to provide *home instruction* in lieu of school attendance shall annually notify the division superintendent in August of his intention to so instruct the child and provide a description of the curriculum to be followed for the coming year and evidence of having met one of the criteria for providing *home instruction* as required by subsection A of this section. Effective July 1, 2000, parents electing to provide *home instruction* shall provide such annual notice no later than August 15. Any parent who moves into a school division or begins *home instruction* after the school year has begun shall notify the division superintendent of his intention to provide *home instruction* as soon as practicable and shall comply with the requirements of this section within thirty days of such notice. The division superintendent shall notify the Superintendent of Public Instruction of the number of students in the school division receiving *home instruction*.

C. The parent who elects to provide *home instruction* shall provide the division superintendent by August 1 following the school year in which the child has received *home instruction* with either (i) evidence that the child has attained a composite score in or above the fourth stanine on a battery of achievement tests which have been approved by the Board of Education for use in the public schools or (ii) an evaluation or assessment which, in the judgment of the division superintendent, indicates that the child is achieving an adequate level of educational growth and progress.

In the event that evidence of progress as required in this subsection is not provided by the parent, the *home instruction* program for that child may be placed on probation for one year. Parents shall file with the division superintendent evidence of their ability to provide an adequate education for their child in compliance with subsection A of this section and a remediation plan for the probationary year which indicates their program is designed to address any educational deficiency. Upon acceptance of such evidence and plan by the division superintendent, the *home instruction* may continue for one probationary year. If the remediation plan and evidence are not accepted or the required evidence of progress is not provided by August 1 following the probationary year, *home instruction* shall cease and the parent shall make other arrangements for the education of the child which comply with § 22.1-254. The requirements of subsection C shall not apply to children who are under the age of six as of September 30 of the school year.

D. For purposes of this section, "parent" means the biological parent or adoptive parent, guardian or other person having control or charge of a child.

Nothing in this section shall prohibit a pupil and his parents from obtaining an excuse from school attendance by reason of bona fide religious training or belief pursuant to § 22.1-254 B 1.

E. Any party aggrieved by a decision of the division superintendent may appeal his decision within thirty days to an independent hearing officer. The independent hearing officer shall be chosen from the list maintained by the Executive Secretary of the Supreme Court for hearing appeals of the placements of children with disabilities. The costs of the hearing shall be apportioned among the parties by the hearing officer in a manner consistent with his findings.

WASHINGTON

Section 28A.200.010: Home-based instruction--Duties of parents.

Each parent whose child is receiving *home-based instruction* under RCW 28A.225.010(4) shall have the duty to:

(1) File annually a signed declaration of intent that he or she is planning to cause his or her child to receive *home-based instruction*. The statement shall include the name and age of the child, shall specify whether a certificated person will be supervising the instruction, and shall be written in a format prescribed by the superintendent of public instruction. Each parent shall file the statement by September 15 of the school year or within two weeks of the beginning of any public school quarter, trimester, or semester with the superintendent of the public school district within which the parent resides or the district that accepts the transfer, and the student shall be deemed a transfer student of the nonresident district. Parents may apply for transfer under RCW 28A.225.220.

(2) Ensure that test scores or annual academic progress assessments and immunization records, together with any other records that are kept relating to the instructional and educational activities provided, are forwarded to any other public or private school to which the child transfers. At the time of a transfer to a public school, the superintendent of the local school district in which the child enrolls may require a standardized achievement test to be administered and shall have the authority to determine the appropriate grade and course level placement of the child after consultation with parents and review of the child's records, and

(3) Ensure that a standardized achievement test approved by the state board of education is administered annually to the child by a qualified individual or that an annual assessment of the student's academic progress is written by a certificated person who is currently working in the field of education. The state board of education shall not require these children to meet the student learning goals, master the essential academic learning requirements, to take the assessments, or to obtain a certificate of mastery pursuant to RCW 28A.630.885. The standardized test administered or the annual academic progress assessment written shall be made a part of the child's permanent records. If, as a result of the annual test or assessment, it is determined that the child is not making reasonable progress consistent with his or her age or stage of development, the parent shall make a good faith effort to remedy any deficiency.

Failure of a parent to comply with the duties in this section shall be deemed a failure of such parent's child to attend school without valid justification under RCW 28A.225.020. Parents who do comply with the duties set forth in this section shall be presumed to be providing *home-based instruction* as set forth in RCW 28A.225.010(4).

[1995 c 52 § 1, 1993 c 336 § 1103, 1990 c 33 § 178, 1985 c 441 § 2. Formerly RCW 28A.27.310.]

Section 8A.200.020: Home-based instruction--Certain decisions responsibility of parent unless otherwise specified.

The state hereby recognizes that parents who are causing their children to receive *home-based instruction* under RCW 28A.225.010(4) shall be subject only to those minimum state laws and regulations which are necessary to insure that a sufficient basic educational opportunity is provided to the children receiving such instruction. Therefore, all decisions relating to philosophy or doctrine, selection of books, teaching materials and curriculum, and methods, timing, and place in the provision or evaluation of *home-based instruction* shall be the responsibility of the parent except for matters specifically referred to in this chapter.

[1990 c 33 § 179, 1985 c 441 § 3. Formerly RCW 28A.27.320.]

WEST VIRGINIA

Section 18-8-1: Commencement and termination of compulsory school attendance; exemptions.

Compulsory school attendance shall begin with the school year in which the sixth birthday is reached prior to the first day of September of such year or upon enrolling in a publicly supported kindergarten program and continue to the sixteenth birthday. Exemption from the foregoing requirements of compulsory public school attendance shall be made on behalf of any child for the following causes or conditions, each such cause or condition being subject to confirmation by the attendance authority of the county:

Exemption A. Instruction in a private, parochial or other approved school. -- Such instruction shall be in a school approved by the county board of education and for a time equal to the school term of the county for the year. In all such schools it shall be the duty of the principal or other person in control, upon the request of the county superintendent of schools, to furnish to the county board of education such information and records as may be required with respect to attendance, instruction and progress of pupils enrolled between the entrance age and sixteen years;

Exemption B. Instruction in home or other approved place

(a) Such instruction shall be in the home of such child or children or at some other place approved by the county board of education and for a time equal to the school term of the county. If such request for *home instruction* is denied by the county board of education, good and reasonable justification for such denial must be furnished in writing to the applicant by the county board of education. The instruction in such cases shall be conducted by a person or persons who, in the judgment of the county superintendent and county board of education, are qualified to give instruction in subjects required to be taught in the free elementary schools of the state. It shall be the duty of the person or persons providing the instruction, upon request of the county superintendent, to furnish to the county board of education such information and records as may be required from time to time with respect to attendance, instruction and progress of pupils enrolled between the entrance age and sixteen years receiving such instruction. The state department of education shall develop guidelines for the *home schooling* of special education students including alternative assessment measures to assure that satisfactory academic progress is achieved.

(b) Notwithstanding the provisions of subsection (a) of this Exemption B, the person or persons providing *home instruction* meet the requirements for Exemption B when the conditions of this subsection are met: Provided, That the county superintendent shall have the right to seek from the circuit court of the county an order denying the *home instruction*, which order may be granted upon a showing of clear and convincing evidence that the child will suffer educational neglect or that there are other compelling reasons to deny *home instruction*. (1) The person or persons providing *home instruction* present to the county

superintendent or county board of education a notice of intent to provide *home instruction* and the name and address of any child of compulsory school age to be instructed: Provided, That if a child is enrolled in a public school, notice of intent to provide *home instruction* shall be given at least two weeks prior to withdrawing such child from public school; (2) The person or persons providing *home instruction* submit satisfactory evidence of: (i) A high school diploma or equivalent; and (ii) formal education at least four years higher than the most academically advanced child for whom the instruction will be provided; (3) The person or persons providing *home instruction* outline a plan of instruction for the ensuing school year; and (4) The person or persons providing *home instruction* shall annually obtain an academic assessment of the child for the previous school year. This shall be satisfied in one of the following ways: (i) Any child receiving *home instruction* annually takes a standardized test, to be administered at a public school in the county where the child resides, or administered by a licensed psychologist or other person authorized by the publisher of the test, or administered by a person authorized by the county superintendent or county board of education. The child shall be administered a test which has been normed by the test publisher on that child's age or grade group. In no event may the child's parent or legal guardian administer the test. Where a test is administered outside of a public school, the child's parent or legal guardian shall pay the cost of administering the test. The public school or other qualified person shall administer to children of compulsory school age the Comprehensive Test of Basic Skills, the California Achievement Test, the Stanford Achievement Test, or the Iowa Tests of Basic Skills, achievement and proficiency, or an individual standardized achievement test that is nationally normed and provides statistical results which test will be selected by the public school, or other person administering the test, in the subjects of language, reading, social studies, science and mathematics, and shall be administered under standardized conditions as set forth by the published instructions of the selected test. No test shall be administered if the publication date is more than ten years from the date of the administration of the test. Each child's test results shall be reported as a national percentile for each of the five subjects tested. Each child's test results shall be made available on or before the thirtieth day of June of the school year in which the test is to be administered to the person or persons providing *home instruction*, the child's parent or legal guardian and the county superintendent. Upon request of a duly authorized representative of the West Virginia department of education, each child's test results shall be furnished by the person or persons providing *home instruction*, or by the child's parent or legal guardian, to the state superintendent of schools. Upon notification of the mean of the child's test results for any single year has fallen below the fortieth percentile, the county board of education shall notify the parents or legal guardian of said child, in writing, of the services available to assist in the assessment of the child's eligibility for special education services: Provided, That the identification of a disability shall not preclude the continuation of *home schooling*. If the mean of the child's test results for any single year for language, reading, social studies, science and mathematics fall below the fortieth percentile on the selected tests, then the person or persons providing *home instruction* shall initiate a remedial program to foster achievement above that level and the student shall show improvement. If, after two calendar years, the mean of the child's test results fall below the fortieth percentile level, *home instruction* shall no longer satisfy the compulsory school attendance requirement exemption; or (ii) The county superintendent is provided with a written narrative indicating that a portfolio of samples of the child's work has been reviewed and that the child's academic progress for the year is in accordance with the child's abilities. This narrative shall be prepared by a certified teacher or other person mutually agreed upon by the parent or legal guardian and the county superintendent. It shall be submitted on or before the thirtieth day of June of the school year covered by the portfolio. The parent or legal guardian shall be responsible for payment of fees charged for the narrative; or (iii) Evidence of an alternative academic assessment of the child's proficiency mutually agreed upon by the parent or legal guardian and the county superintendent is submitted to the county superintendent by the thirtieth day of June of the school year being assessed. The parent or

legal guardian shall be responsible for payment of fees charged for the assessment. The superintendent or a designee shall offer such assistance, including textbooks, other teaching materials and available resources, as may assist the person or persons providing *home instruction* subject to their availability. Any child receiving *home instruction* may, upon approval of the county board of education, exercise the option to attend any class offered by the county board of education as the person or persons providing *home instruction* may deem appropriate subject to normal registration and attendance requirements;

Exemption C. Physical or mental incapacity. -- Physical or mental incapacity shall consist of incapacity for school attendance and the performance of school work. In all cases of prolonged absence from school due to incapacity of the child to attend, the written statement of a licensed physician or authorized school nurse shall be required under the provisions of this article: Provided, That in all cases incapacity shall be narrowly defined and in no case shall the provisions of this article allow for the exclusion of the mentally, physically, emotionally or behaviorally handicapped child otherwise entitled to a free appropriate education;

Exemption D. Residence more than two miles from school or school bus route. -- The distance of residence from a school, or school bus route providing free transportation, shall be reckoned by the shortest practicable road or path, which contemplates travel through fields by right of permission from the landholders or their agents. It shall be the duty of the county board of education, subject to written consent of landholders, or their agents, to provide and maintain safe foot bridges across streams off the public highways where such are required for the safety and welfare of pupils whose mode of travel from home to school or to school bus route must necessarily be other than along the public highway in order for said road or path to be not over two miles from home to school or to school bus providing free transportation;

Exemption E. Hazardous conditions. -- Conditions rendering school attendance impossible or hazardous to the life, health or safety of the child;

Exemption F. High school graduation. -- Such exemption shall consist of regular graduation from a standard senior high school;

Exemption G. Granting work permits. -- The county superintendent may, after due investigation, grant work permits to youths under sixteen years of age, subject to state and federal labor laws and regulations: Provided, That a work permit may not be granted on behalf of any youth who has not completed the eighth grade of school;

Exemption H. Serious illness or death in the immediate family of the pupil. -- It is expected that the county attendance director will ascertain the facts in all cases of such absences about which information is inadequate and report same to the county superintendent of schools;

Exemption I. Destitution in the home. -- Exemption based on a condition of extreme destitution in the home may be granted only upon the written recommendation of the county attendance director to the county superintendent following careful investigation of the case. A copy of the report confirming such condition and school exemption shall be placed with the county director of public assistance. This enactment contemplates every reasonable effort that may properly be taken on the part of both school and public assistance authorities for the relief of home conditions officially recognized as being so destitute as to deprive children of the privilege of school attendance. Exemption for this cause shall not be allowed when such destitution is relieved through public or private means;

Exemption J. Church ordinances; observances of regular church ordinances. -- The county board of education may approve exemption for religious instruction upon written request of the person having legal or actual charge of a child or children: Provided, That such exemption shall be subject to the rules prescribed by the county superintendent and approved by the county board of education;

Exemption K. Alternative private, parochial, church or religious school instruction. -- In lieu of the provisions of Exemption A hereinabove, exemption shall be made for any child attending any private school, parochial school, church school, school operated by a religious order, or other nonpublic school which elects to comply with the provisions of article twenty-eight, chapter eighteen of the code of West Virginia.

The completion of the eighth grade shall not exempt any child under sixteen years of age from the compulsory attendance provision of this article: Provided, That there is a public high school or other public school of advanced grades or a school bus providing free transportation to any such school, the route of which is within two miles of the child's home by the shortest practicable route or path as hereinbefore specified under Exemption D of this section.

Section 18-8-1a: Compulsory school attendance; public school entrance requirements; exceptions thereto.

Notwithstanding the provisions of section one of this article, compulsory school attendance shall begin with the school year in which the sixth birthday is reached prior to September one of such year or upon enrolling in a publicly supported kindergarten program and continue to the sixteenth birthday or for as long as the student shall continue to be enrolled in a school system after the sixteenth birthday: Provided, That a child may be removed from such kindergarten program when the principal, teacher and parent or guardian concur that the best interest of the child would not be served by requiring further attendance: Provided, however, That the principal shall make the final determination with regard to compulsory school attendance in a publicly supported kindergarten program: Provided further, That the compulsory school attendance provision of this article shall be enforced against a person eighteen years of age or older for as long as the person continues to be enrolled in a school system, and shall not be enforced against the parent, guardian, or custodian of such person.

Attendance at a state-approved or Montessori kindergarten, as provided for in section eighteen, article five of this chapter, shall be deemed school attendance for purposes of this section. Prior to entrance into the first grade in accordance with section five, article two of this chapter, each child must have either (1) successfully completed such publicly or privately supported, state-approved kindergarten program or Montessori kindergarten program, or (2) successfully completed an entrance test of basic readiness skills approved by the county in which the school is located: Provided, That such test be administered in lieu of kindergarten attendance only under extraordinary circumstances to be determined by the board. Notwithstanding the provisions of this section and of section five, article two of this chapter and section eighteen, article five of this chapter, a county board may provide for advanced entrance or placement under policies adopted by said board for any child who has demonstrated sufficient mental and physical competency for such entrance or placement. Nothing herein shall prevent a student from another state from enrolling in a public school in West Virginia in such grade as the student was enrolled at the school from which the student transferred.

WISCONSIN

Section 115.001(3g): Home-based private educational program.

"Home-based private educational program" means a program of educational instruction provided to a child by the child's parent or guardian or by a person designated by the parent or guardian. An instructional program provided to more than one family unit does not constitute a home-based private educational program.

Section 118.15(4):

Instruction in a home-based private educational program that meets all of the criteria under s. 118.165 (1) may be substituted for attendance at a public or private school.

Section 118.165(1): (1) An institution is a private school if its educational program meets all of the following criteria:

Section 118.165(1)(a): (a) The primary purpose of the program is to provide private or religious-based education.

Section 118.165(1)(b): (b) The program is privately controlled.

Section 118.165(1)(c): (c) The program provides at least 875 hours of instruction each school year.

Section 118.165(1)(d): (d) The program provides a sequentially progressive curriculum of fundamental instruction in reading, language arts, mathematics, social studies, science and health. This subsection does not require the program to include in its curriculum any concept, topic or practice in conflict with the program's religious doctrines or to exclude from its curriculum any concept, topic or practice consistent with the program's religious doctrines.

Section 118.165(1)(e): (e) The program is not operated or instituted for the purpose of avoiding or circumventing the compulsory school attendance requirement under s. 118.15 (1) (a).

Section 118.165(1)(f): (f) The pupils in the institution's educational program, in the ordinary course of events, return annually to the homes of their parents or guardians for not less than 2 months of summer vacation, or the institution is licensed as a child welfare agency under s. 48.60 (1).

WYOMING

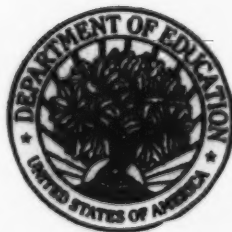
Section 21-4-101: Compulsory Attendance, Definitions.

(a) For the purposes of this article: (i) "Unexcused absence" means the absence, as defined in the policies of the local board of trustees, of any child required by this article to attend school when such absence is not excused to the satisfaction of the board of trustees by the parent, guardian, or other person having control of such child; (ii) "Habitual truant" means any child with five (5) or more unexcused absences in any one (1) school year; (iii) "Private school" is any nonpublic, elementary or secondary school providing a basic academic educational program for children and may include parochial and church or religious schools and home-based educational programs; (iv) "Parochial, church or religious school" is one operated under the auspices or control of a local church or religious congregation or a denomination established to promote and promulgate the commonly held religious doctrines of the group though it may also include basic academic subjects in its curriculum. Nothing contained in W.S. 21-4-102(b), 21-2-401 or 21-2-406 grants to the state of Wyoming or any of its officers, agencies or subdivisions any right or authority to control, manage, supervise or make any suggestions as to the control, management or supervision of any parochial, church or religious school; (v) A home-based educational program means a program of educational instruction provided to a child by the child's parent or legal guardian or by a person designated by the parent or legal guardian. An instructional program provided to more than one (1) family unit does not constitute a home-based educational program; (vi) "Basic academic educational program" is one that provides a sequentially progressive curriculum of fundamental instruction in reading, writing, mathematics, civics, history, literature and science. These curriculum requirements do not require any private school or home-based educational program to include in its curriculum any concept, topic or practice in conflict with its religious doctrines or to exclude from its curriculum any concept, topic or practice consistent with its religious doctrines.

Section 21-4-102: When attendance required; exemptions.

(a) Every parent, guardian or other person having control or charge of any child who is a resident of this state and whose seventh birthday falls on or before September 15 of any year and who has not yet attained his sixteenth birthday or completed the eighth grade shall be required to send such child to, and such child shall be required to attend, a public or private school each year, during the entire time that the public schools shall be in session in the district in which the pupil resides; provided, that the board of trustees of each school district may exempt any child from the operation of this article when: (i) The board believes that compulsory attendance in school would be detrimental to the mental or physical health of such child or the other children in the school; provided, the board may designate at the expense of the district a medical doctor of its choice to guide it and support it in its decision; (ii) The board feels that compulsory school attendance might work undue hardship; or (iii) The child has been legally excluded from the regular schools pursuant to the provisions of W.S. 21-4-306.

(b) A *home-based* educational program shall meet the requirements of a basic academic educational program pursuant to W.S. 21-4-101(a)(vi). It shall be the responsibility of every person administering a *home-based* educational program to submit a curriculum to the local board of trustees each year showing that the program complies with the requirements of this subsection. Failure to submit a curriculum showing compliance is prima facie evidence that the *home-based* educational program does not meet the requirements of this article.



BEST COPY AVAILABLE

307